

THE WAY TO ECONOMIC BETTERMENT



The **BRIDGE** MARCH 1937

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NOW that The BRIDGE accepts advertising for its pages, we give this as an example of how credit unions can use it as their advertising medium.

It is customary for banks to advertise their business statements in the daily press. We suggest that credit unions do the same in The BRIDGE, which is their own publication. Reports on the progress and growth of other credit unions would be of interest to credit union members throughout the country.

Of Our Own Credit Union We Are Proud to Say That—

It is one of the oldest in Massachusetts

Assets now

\$850,000.00

Profits in Guaranty Fund and Undivided Earnings Accounts

\$100,000.00

Membership — 2,300

If the hundreds or perhaps thousands of credit unions would advertise in The BRIDGE even once a year, it would amount to a considerable sum in advertising income for The BRIDGE. This, together with receipts from subscriptions and business advertisements which may be obtained later, will go far toward making The BRIDGE self-sustaining.

Because of the limited space all credit unions cannot get write-ups published in The BRIDGE but they should all publish their financial statements as paid advertisements therein.

We hope credit unions throughout the country will consider our suggestion and will follow the example we have set.

48 Wallace Avenue

WORKERS' CREDIT UNION

OSKARI TOKOI, President

Fitchburg, Mass.

JOHN SUOMINEN, Treasurer

This Advertisement Is Given Without Solicitation

The BRIDGE

A Monthly MAGAZINE Devoted to
Improving the Lot of the Average of Us

ROY F. BERGENGREN
Editor

IN THIS ISSUE

The King is dead!
Long live the king!!

Volume I is finished. Was it a job? It was a job! But we got out 12 issues, starting and finishing on the same proverbial shoe string.

Right now we are waiting for the jury to come in, the jury composed of our original 10,000 subscribers who are now out, sitting in judgment on Volume I. If they liked it—they will renew and the BRIDGE is assured. Some renewals have come in already but not enough!

The jury is still out!

But time and tide and closing publication days wait for no man. So we proceed with Volume II.

Here we present some new arrangements, some new type, some new plans, keeping only the best of what we produced in Volume I.

We have an article about *life on a canal boat* by Mr. Bishop, which we hope you will find as interesting as we did!

We try fiction—with a BANG UP SHORT SHORT STORY by Jack McHugh. This is INNOVATION No. 1—and we hope you like it!

Then we get from Honolulu a *beautifully illustrated story* about the Hawaiian Islands by Mrs. Lance Barden, gifted wife of Lance Barden who is creating a fine credit union movement in the islands.

More about WASHINGTON where the National Board will soon meet.

Our remarkable cover picture this month is by Cedric Parker, staff photographer of the Madison Capital Times.

Tom's Questions and Answers, Al Lowe with the latest from Hollywood, Gabby Gus—all the old favorites in this birthday issue—Volume II No. 1.

NEXT MONTH

There will be the breath of Spring in the air next month and it's pretty hard to tell just what we will do.

We may be able to get the 3rd Annual Meeting in—we'll try anyway. We have a fine article on the fire about Seattle and a remarkably interesting article entitled 'Mutual Savings Banks' which will be well worth the price of admission.

MORE FICTION in the next issue (we have two most interesting short short stories in the drawer) and the beginning of some articles on 'vacations'. We are angling, for example for an article which will tell of the trials and tribulations, the joys and the delights of LIFE IN A TRAILER.

We are also going to try a new series called 'The Incredible Thing' in which each month we are going to describe something quite interesting but also quite unbelievable.

Look for the April BRIDGE! It will come smiling thru the showers!

Vol. 2

MARCH, 1937

No. 1

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There has been some confusion as to when subscriptions start. All subscriptions received by the 15th of the month (unless other instructions are noted on the blank) start with the issue of the current month. All subscriptions received after the 15th of the month start with the following month. For example—if a subscription is received on or before March 15th the subscriber receives as his first issue the March issue; if it is received between March 15th and April 15th he receives the April issue.

PLEASE MARK RENEWALS

We operate very short handed. Therefore it is very difficult for us to determine sometimes whether or not a group of subscriptions or even a single subscription is a renewal. Please, when re-subscribing, note on your subscription blank the word 'RENEWAL' as conspicuously as possible.



MARCH

is an interesting month! On March 30, 1818, Frederick William Raiffeisen, patron saint of the credit union movement was born in Germany.

During his life time he put in the solid foundations for the cooperative credit movement in the world. He lived to devise a plan which would enable the down trodden to lift their heads and to establish for themselves a new economic life.

Because this man lived we have the credit union. Such a life goes on forever. That is real immortality.

On the 17th of March, 1776, the British marched out of Boston; the Revolution had found a leader and had established preliminary proof of its capacity to carry through to victory.

Twenty years ago on the 15th of March, the first American soldiers arrived in France—on a holy mission to 'make the world safe for democracy', to wage a war 'to end wars'. *That we did not keep faith with those who died on Flanders Field is not their fault!* They went over to end a war which cost eight million dead and over thirty million casualties—and they ended it.

A year ago in March, Italy was marching into Ethiopia and the League of Nations was proving its futility, we were making a new treaty of peace with Panama, in the east there were violent floods, Russia was defying Japan, Germany marching back into the Rhineland.

And what of this March? It seems to have reversed itself; it came in like a lamb and will probably go out like a lion.

Spain is in the midst of one of the cruellest and bloodiest civil wars in history, aided by Fascists and Communists from other national units until it is difficult to understand just whose war is being fought! They say (and you know how reliable is anything that starts 'they say') that the Spanish war has caused a postponement of the anticipated World War because some of the plans being made for the World War must be reshaped because of the experiences (with bombing planes, for example) in Spain. And Europe marches and counter marches and drills and prepares!

During 1936 we now have the figures for 1503 new credit unions in a single year. *And we in the credit unions, in spite of all the hell which seems to be loose in the world, still contend that the brotherhood of man is good business and that it can be made to work in practice.*

March is indeed an interesting month! We salute you with Volume II.

EDITORIAL

AS WE OPEN Volume II to Page 1 thereof we do well to stop. "Have we a place?" There is a slang phrase which exactly describes what should be our present state of mind. "How'm I doing?" Is all the work, all the money, all the planning and thinking and headaches which, in combination, have produced the BRIDGE—worth while? The Managing Director of the National Association has been obliged to give lots of time (much of it overtime) to producing the first twelve issues; sacrifices of other things have been made. He has dumped substantial sums of his own money into it; the BRIDGE is still "in the red" and won't be out for another six months. Have we a place? Is it all worthwhile? We think so.

To begin with—there was a long expressed demand for the BRIDGE. This desire for an organ of the credit union movement pre-dated the organization of the National Association. When we finally got at it—we were confronted with two alternatives; to publish a typical house organ, of little interest and potential circulation to anyone but directors and officers, a manual for credit union managers. Such a publication would have small circulation; it would never offer a national advertising field. True it would cost less; true also it would never get across to the mass of credit union members those basic credit union principles which they need so badly to understand.

The other alternative was a magazine the hard way; it meant trying to produce something of interest to the average credit union member, his wife and his children. It involved an appeal to over three million people.

We had no personnel; we had no money at all; we had only an idea and faith.

We divided our magazine into two parts—one of general interest and the other devoted exclusively to the credit union. We developed a movie section although many folks told us that it was foolish because so many other magazines specialize in movies and no one could be interested in anything we could produce. We opened up the Kodakers although there were those to advise strongly against it. We also started our travel articles, in an effort to get our credit

union folks better acquainted with this grand and beautiful country we call the United States

Amazingly—however—the reader response was favorable from the very beginning.

Meantime—week after week—we ding-donged away at certain fundamentals. "A credit union is a *credit*, not an investment union." "Divi-

dends must be subordinated to service." "We are enrolled to make our economic system work eventually for the people." "We believe the brotherhood of man is good business and can be made to work." Etc., etc.

We have gradually been almost revolutionizing much credit union thinking. We have talked of budgets, group medicine, dime banks, better plans for insurance; we have given the CUNA Mutual Society thousands of dollars of free publicity in its difficult pioneering days. We did the same for the CUNA Supply Cooperative. We publicized Chapters until there are over three hundred of them. We brought State and Federal credit unions into close co-operation. We helped Leagues in a multitude of ways. We developed a monthly credit union catechism of questions and answers of inestimable benefit to credit union officers. Already we are printing and distributing free League supplements for four states, a service which will eventually expand to all states. We have made it all interesting enough so that credit union mothers and children write us of their enjoyment of our columns.

Meantime credit unions and credit union members have given us a loyalty which is breath-taking. We have climbed rapidly to a circulation of 38,000. We have made no attempt yet to get advertising in a serious way and are now ready and equipped to tackle the next great problem, that of securing legitimate advertising support. Meantime our circulation goal is 100,000. Already a great many credit unions have given us 100% subscriptions.

Have we a place?

We enter Volume II, still operating on a shoe string, still working nights, still with faith that the answer is in the future.

So—thank you, each and every one; stay with us! We have a place.

FLASH

A SHORT, SHORT STORY COMPLETE ON THIS PAGE

An up-and-coming young columnist picked up a red hot story and burned his fingers—

PETE PARKER opened one eye and gazed dispiritedly upon his littered office, then opened the other one and painfully hoisted himself from the two chairs on which he had spent the night. Removing from one of them the ruins of a tophat, he wrinkled his forehead and stirred his brain into protesting activity. For the life of him he couldn't remember where he had been or what he had done last night, but he seemed to remember that something hot had broken, something so hot that he had come right back to his office. A good thing, too; a glance at his watch revealed that he had less than half an hour to get his column into the noon edition. Fastening his head more firmly on his shoulders—he had an alarming feeling that it might at any moment drop off and roll on the floor—he tried to remember what the story was.

With a low moan, he bent over and opened the bottom drawer of his desk; beneath a cluttered pile of papers he found what he was looking for, his office first-aid kit, so to speak. Removing the cap, he applied the bottle to his lips and took a shuddering mouthful. This he rolled around like a gargle, in order to eat away the fuzz which seemed to cover his teeth, after which he spat it in the waste basket. A long drink, gulped convulsively, completed his preparations for the day's work, and he seated himself before his typewriter, ready to transfer to paper the sparkling flow of copy which, this particular morning, seemed to merely trickle sluggishly. A routine announcement of a birth expected and another of a divorce rumored, and he was stymied.

That hot story he'd had last night, though . . . With an exclamation he gazed at the wilted cuff of his right shirtsleeve. There it was, of course, right where he always made his notes.

"Orange blossoms for Anne Abbot . . . her seventh . . ."

The scrawl trailed off into incoherence, but it was enough. So Anne Abbot was married again! He lit a cigarette and reflected that he had to hand it to him-

self; once a newspaperman, always a newspaperman. He must have been in a bad way last night, but, drunk or sober, Pete Parker never let a story by him. Not Pete Parker. He wished he could remember who the sucker was, but, anyhow, nobody would be interested in him. He struck the keys for a few tentative taps, and slowly gathered momentum. Odd, dimly remembered details filtered into his mind, and shortly his fingers were flicking a staccato march out of the typewriter.

He made it nasty. He insinuated, he implied, and once or twice he came right out and said. For one thing, he had al-

vious attempts at marriage and their uniformly unsuccessful results. One ex had stepped out the window of his office, two had wound up in bankruptcy—alimony court clippings revealed that—and, though a hasty fluttering through the leaves of the scrapbook failed to reveal any information as to what had become of the others, that was enough.

By the time he ripped the last page from his machine, he had a story in his best style, he had beaten the town—the fact that none of the morning papers had it made him fairly sure that he was the only one who held the tip—and he had made of Anne Abbot something for workmen riding home in subways and bankers riding home in limousines to chuckle obscenely over. That was a specialty of Pete Parker's; he had a gift of being unpleasant without being exactly libelous that made him worth some forty thousand dollars a year to various news services. He read it over slowly and appreciatively; tough as Anne Abbot was, that ought to get under her skin. He rang for a copy-boy, saw his manuscript safely started on its way to three or four million readers, and then, the natural reaction having reasserted itself, stretched out once more on the two chairs and dropped into refreshing sleep.

Some time later he was awakened by the slamming of his office door. Again he opened one eye, and, without waiting

to open the other, exercised that instantaneous presence of mind which had helped to put him where he was by rolling off the chairs and under his desk. He must have slept longer than he had thought; apparently the afternoon papers were out, because there was Anne Abbot standing by the door. He seemed to remember that on at least one occasion she had been known to exercise a small, pearl-handled automatic and, fond of news as Pete Parker was, he had a distinct prejudice against assuming the principal role in a sensational murder. From under the desk he exhorted her in muffled tones to use her head and not do anything hasty. And then Anne Abbot spoke, in the amused, musical tones which were part of her appeal to the public.

"Gee, honey," she said, "you must have a terrible case of nerves this morning. Not that I feel any too rosy myself, all those drinks we hoisted down last night, before and after. Yes, and a fine honeymoon I had, losing track of my husband right after the ceremony, almost. Now you come right out from under there and kiss your wife good morning. Hear me?"

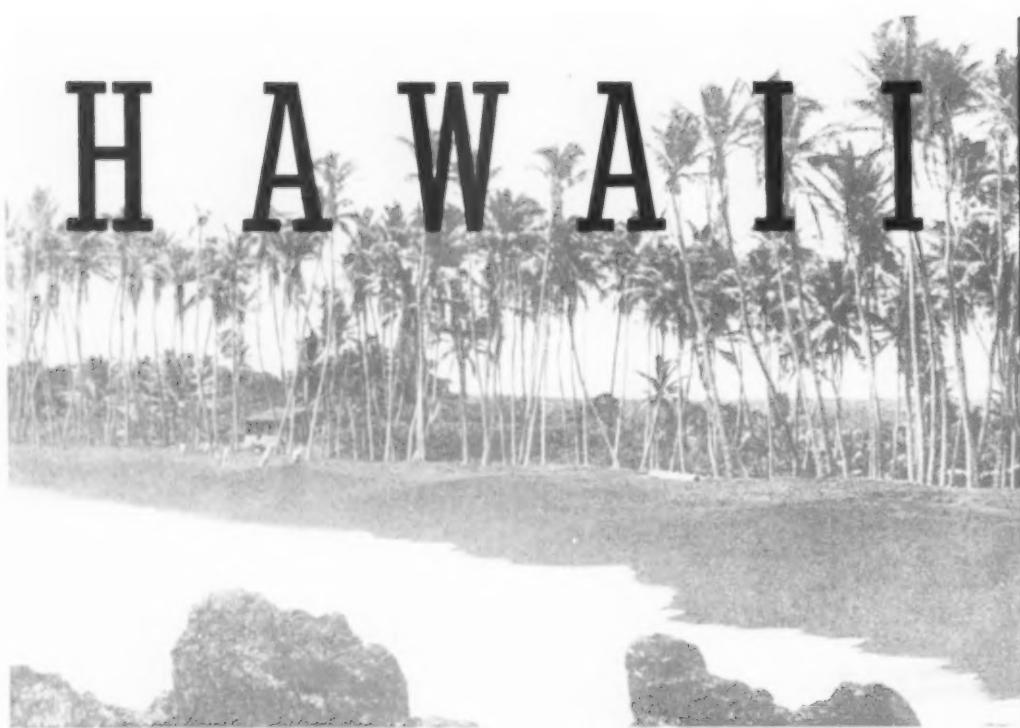
Pete Parker didn't hear her, though. For the first time in a career filled with shocks, that enterprising newshawk had fainted.

By JACK MCHUGH



ways thought Anne Abbot was a hard little so-and-so, and for another he disliked Reno-hounds in general, and for still another he had a terrible hangover. So he poured it on. Seven husbands, and all of them suckers. Typing with his free hand he reached into another drawer of his desk, withdrew therefrom his own private, personal Who's Who, and with its aid performed an interesting piece of research into Anne Abbot's six pre-

HAWAII



Uncle Sam's solitaire, gem of the Pacific, discovered by Captain Cook in 1778 and destined one hundred and twenty-two years later to become an integral part of the United States

by
MRS. L. S. BARDEN

HAWAII! A monarchy in 1898, and to day a Territory of the United States, knocking at the door for admission to statehood! A group of islands lying some two thousand miles westward from the Pacific coast, a place often known as the Paradise of the Pacific and now a member of our Credit Union Family! Let the BRIDGE, which travels to all the forty-eight states, carry this introduction to the Territory of Hawaii!

Oahu, the Gathering Place, is the starting point for all Hawaiian tours, for it is the transportation and commercial center for the Hawaiian group. Honolulu is on this Island, a city of 143,000 people, which is the home of 2 new credit unions, the Oahu Chapter and the Hawaii Credit Union League. This is a thoroughly American city, in which the largest part of the white population of the whole group resides. It has all the cultural advantages and the up to date business methods of any American locality, and is only marked by the fact that it is not operated with the hustle and bustle of the mainland cities. Here is a leisurely, joyous life, where people relax and live the carefree life of the tropics.



In Honolulu is the famous Waikiki Beach, on which the graceful native boys ride the breakers on their surf boards, and others enjoy the thrilling sport of paddling outrigger canoes through a pounding surf. What a thrill it is to try it! And how easy these sports appear to the malihini (newcomer) as he watches the lithe bodies of the beach boys, but how awkward he finds himself when he seeks to imitate them!

Cultural Heritage

Honolulu offers the best there is of the culture and the social life of three races —the Mongolian, the Polynesian and the Caucasian. Of the native Hawaiians, there are only 21,594 left, although there are 37,608 who are mixed Hawaiian and Caucasian, or Asiatic. There are no native homes left, but the Hawaiian influence is still seen upon the streets. There are picturesque lei-sellers with their



wreaths of many-colored, fragrant flowers; dock workers and truck drivers, who place fresh flower leis on their hats each morning and who spend their lunch hours strumming their guitars; and dignified native women who still wear the holoku, a sort of Mother Hubbard with a short train. In the outlying districts Hawaiian men still sit in front of their houses, pounding poi, the national dish; and at night, the dark skinned natives fish with spears by the light of a torch. One of the show places is a perfect reproduction of an ancient Hawaiian village, where the language, the dances, and the customs of the early Hawaiians are taught. Although the pure Hawaiian race must eventually disappear, it is hoped that the traditions may be kept alive in this village. Many historical objects of interest are housed in Iolani Palace, Queen Emma House, and the Bishop Museum, so that the visitor can



Above—Black sand beach of Kalapaua

Left—Outrigger Canoeing in the moonlight

Lower left—Surf boarding on Waikiki Beach

obtain an accurate glimpse of the past of Hawaii. And, although the Hawaiians as a race will be only a memory, the spirit of a dignified, graceful, gentle and generous people will still pervade the whole island.

Since nearly two-thirds of the population of the Islands are members of the yellow race, representations of all the treasures of the Orient can be found here. Fine examples of the Japanese art may be seen in the many Japanese shops throughout the city, and beautiful Chinese wood carvings, brass works and embroideries are displayed in the numerous Chinese bazaars. Oriental architecture is best represented in the temples and shrines erected by the followers of Buddhism, Shintoism, Taoism and other Oriental religions. Japanese tea rooms, with smiling Geisha girls to entertain the guests are popular places to visit. Here the visitor must remove his shoes, don a kimona and sit on the floor, where he is served suki yaki and warm sake, a Japanese rice wine. The Chinese chop suey houses are numerous too, and in these many interesting dishes may be obtained, served just as they are in real Chinese homes. Truly, there is much of the Orient in this American city.

Island Architecture

Most of the architecture in Honolulu is after the American style, and this, as is customary in most American cities, shows the result of many influences. There are buildings of every type from early New England and Victorian Gothic

to the fine, modern blocks of business buildings. The beautiful residential districts, the churches, the art museum, the library, and all the luxurious hotels compare favorably with the best in the world. Perhaps the very finest example of American architectural art to be seen on the whole Island is the stately Mormon Temple at Laie, a few miles from Honolulu.

Scenic Beauty

The trip completely around the Island of Oahu leads past fields of pineapple and sugar cane, through fertile green valleys between two mountain ranges. Here the scenery is most spectacular, but even more impressive is the beauty of the rugged coast line with its smooth white sands, against the brilliant blue of the white capped sea. Surely, the scene gives the traveler a memory he cannot lose.

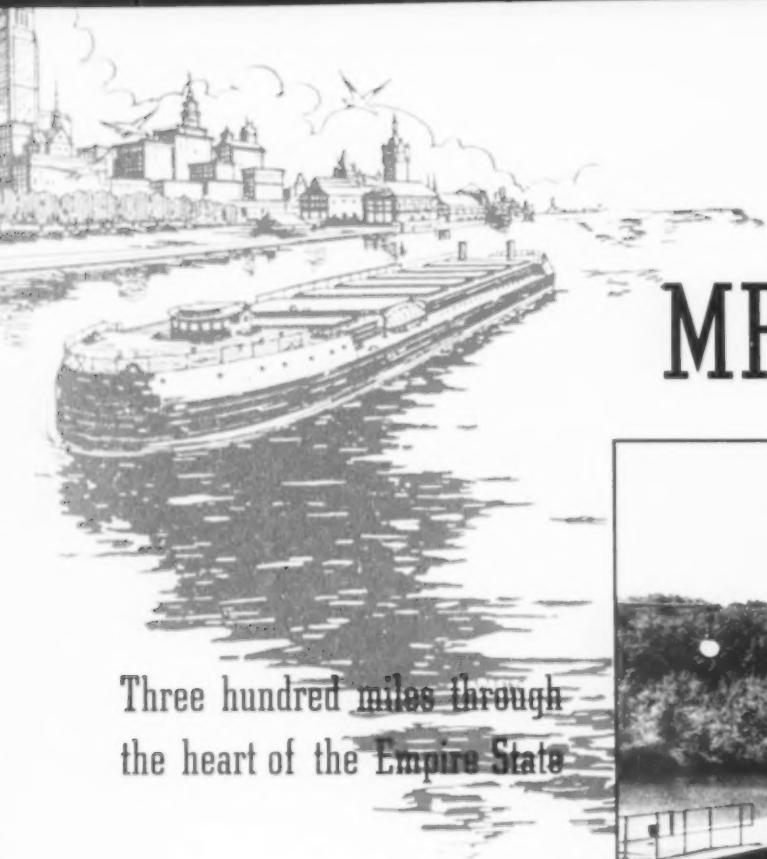
Hawaii—The Big Island, which gives the archipelago its name, is the largest, youngest and most varied of the group. Visualize the gigantic craters of Mauna Loa and Mauna Kea, sometimes snow capped, rising nearly 14,000 feet from a palm fringed sea. Here is also the active fire pit of Kilauea which draws travelers from the four corners of the earth. The pit often contains a boiling bubbling mass of molten lava whose surface fluctuates continually. Activities averaging at least one outbreak a year since 1924 have occurred and this is considered a good omen by the Hawaiians, for it means that their Fire Goddess Pele is present.

In making the circuit of the Island, the traveler is continually astonished by the constant changes which meet the eye and the variety of types of scenery. On the beach, instead of the dazzling white sands to which one has become accustomed on Oahu, the sands in some places are black—a fine volcanic ash. Leaving the coast the road passes through fields of waving sugar cane, which grows in a tangled mass to a height of ten feet or more. Gaining altitude, the cane fields give way to vast pasture lands of luscious grass, bordered by barren mountains, and it is here that the largest cattle ranch in the United States is to be found. Above the pasture lands one comes to a rock strewn area, which might be called desert. Here, cactus and mesquite are found in place of the grass of the cattle country. Sulphurous fumes arise beside the road which leads to the famous crater, where the traveler can look down into unbelievable depths and see solidified lava of past eruptions.

Historic Reminders

On the west side of the Island is the Kona coast, the last stronghold of the so-called old Hawaii and the historical high spot of the Islands, for it was here that Captain Cook, the first white man to glimpse the Islands, was killed in a skirmish with the natives in 1779. Memories of a royal and romantic past linger here as it is the birthplace of King Kamehameha who became the first monarch of all the Islands. Ruins of ancient temples stare seaward—reminders of a day when

(Continued on page 22)



Up and Down MR. CLINTON'S DITCH

Three hundred miles through
the heart of the Empire State

by

WARREN BISHOP, JR.

HERE seems to be a popular delusion that ships and sailors deal largely with limitless expanses of ocean and strange, sometimes exotic, ports. When I told people I was going to spend the summer working on a boat they all wanted me to bring them such things as perfumes and monkeys and shawls, and the rest of the junk which the sailor is popularly supposed to lug home, and often does. And when I told them I didn't believe I'd be able to get them anything they couldn't as easily get at home, they looked at me in a puzzled way and asked me where my first port of call might be.

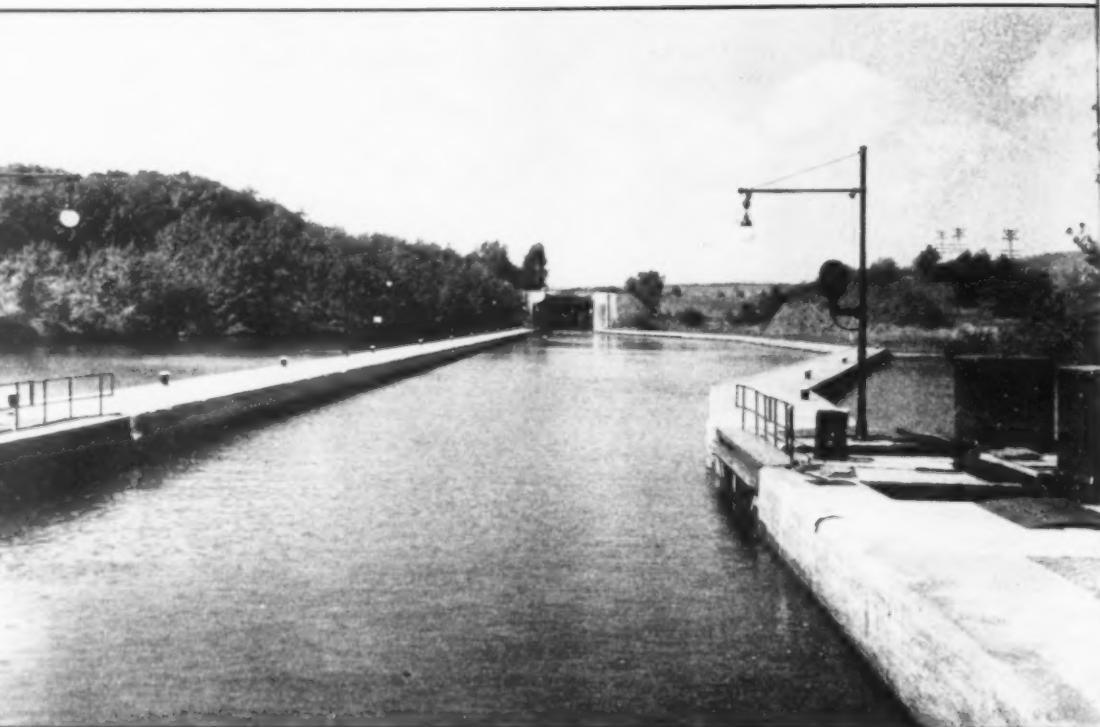
"Toledo," said I.

"Toledo! But they make wonderful things there. There are so many Spanish things I've always wanted. Now just let me think a minute and I'll make a little list . . ."

"I meant Toledo, Ohio. I'm working on a canal and lakes boat."

"Oh. A canal boat!"

And that always ended me as a sailor; it didn't seem to carry any prestige with



A typical approach to lock—going up. Note the stairs in the background

it, somehow. And yet that attitude is most unjust. Just what is it, anyhow, that makes a sailor's life, ninety-nine per cent of the time? Let's analyze it.

First and most important, we have painting, rust-chipping, mop-work, and brass-polishing, in a descending order of importance. There is absolutely as much of this on a canal freighter as on any other kind. On the average, eight hours out of a twelve-hour working day—six hours on watch, six off—are spent in one or the other of these engaging pursuits.

A Sailor's Life

Knots and ropes in general. There is twice as much of this on a canaller as on a deepwater boat; one of her salient features is the number of cables which are piled here and there on deck, or stowed neatly away in bins except when they are being used going through a lock or tying up beside a wharf. Two hours a day of the four yet unaccounted for are spent either in letting inch-and-a-

half cable out or carefully unkinking, coiling, and stowing it again.

Cramped quarters and shipshapeness. Our quarters were sufficiently small to do credit to any deepwater boat, and our captain quite as insistent as any other skipper on keeping the cabins in some sort of order—right down to scrubbing the woodwork and mopping the floor a couple of times a week. About the only aspect of the crew's domestic arrangements which varies markedly from that prevalent on deepwater boats is the food, which is better. This is natural, as the ship is rarely more than a day or so out of port, thereby enabling the steward to get plenty of fresh provisions. When it was huckleberry time in upstate New York we had 'em—had 'em on our cereal, had 'em by themselves, had 'em in muffins, had 'em in pies, and any other way the steward's ingenuity could suggest. Before you get a chance to get sick of

Map showing the route of the Erie Canal



IF Your Subscription EXPIRED Last Month (February) ! ! !

And you have NOT YET RESUBSCRIBED! (Thousands have, for which many many thanks!) we are sending you this copy of Vol. II, No. 1 believing that you *intended* to renew and forgot it. May we *now* have your renewal? If an *individual* subscription, please use page 4 of this blank. (Rate \$1.00.) If you are renewing for a group (the members of your Board, committees, a 100% subscription for all your members, etc.) use pages 2 and 3, and, if the space gives out, add the balance of the names and addresses on a plain sheet and send us the whole business with a remittance equal to the number of names (if more than three) times fifty cents. *We hope you like this first offering of Volume II.*

THE BRIDGE

Raiffeisen House -- Madison, Wisconsin

Pages 2 and 3

For GROUP SUBSCRIPTIONS (if, for example, you are subscribing for your whole board, your whole membership, etc.) use this blank as far as it will go, and attach extra names and addresses on plain paper, sending the whole list with remittance in the amount of fifty cents times the number of subscribers to

THE BRIDGE, Raiffeisen House, Madison, Wisconsin.

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them, they're out and something else is in; green corn, maybe. Most locktenders are small farmers on the side, or perhaps it would be better to say many small farmers are locktenders on the side. All are glad to sell such staples as milk and butter and eggs, and vegetables in season.

The amusements of a canaller, aboard ship and on shore, are about the same as those of the salt water sailor. If he is sufficiently handy he spends a certain amount of his leisure time in the construction of string belts or ingenious gadgets for the engine room. And Jack ashore is the same whether the port happens to be in Ohio or the South Sea Islands; most of the ports along the canal and on the lakes afford the usual facilities for the employment of the sailor's leisure time, with characteristic American efficiency and thoroughness added.

And What Does He See?

And now we come to the prime difference; it is a difference, all right, but not exactly as the public sees it. Theoretically the deepwater tar sees the world. Actually, though, what does he see? A lot of ocean, all of which looks alike, the inside of an assortment of saloons which are, on the whole, the same the world over, and, just possibly, if he be a sailor with a conscience and an idea that he ought to improve himself, a collection of monuments, public buildings, and other points of interest, not very different from the domestic variety. But mostly he sees ocean.

Now consider the canaller. He really sees the world; sees a strip of it some three hundred miles long, running through one of the fairest sections of the United States; peaceful and well established, and yet full of color and life. As he goes about his job on deck or takes his trick at the wheel there is passing before his eyes an ever-changing, ever-novel panorama of highways and quiet roads, brisk little manufacturing towns and sleepy farms. He can spend that priceless hour after he has eaten and his off watch has begun, before he turns in, sitting on a battered old camp chair in the stern of the boat watching through a cloud of tobacco smoke the churning wake left in the muddy waters of the canal and surveying with satisfied approval the vistas which unfold behind him. A Pullman observation car isn't in it; riding in that you haven't time to get a piece of scenery digested and appreciated before it is gone and another one

Below—One of the old time barges. Note the shack on her stern

in the process of vanishing. A canal boat's six or seven miles an hour is about the right pace.

On the Hudson

He has it pretty much to himself, too, for it is a route far less familiar to tourists than is the North Atlantic. Sightseers on the Erie canal are limited to two classes; those who are so fortunate as to own pleasure yachts and those who work on freighters. Nothing is more annoying to a sailor who is, at the hottest hour of a hot day, painfully removing with the aid of a hammer, a scraper, and a small whiskbroom the accumulated rust from a broiling deckplate than the sight of one of these merry little pleasure craft, its gay pennant fluttering jauntily and its spotless, awning-covered deck accommodating a little group of loungers who survey with languid interest the funny sailor with his funny little hammer. But shortly the motor yacht has gone by, and he forgets his annoyance; there is something about gliding along between the green banks of the canal that is very soothing. Let's take a look at some of the things he sees from the moment he rounds the battery and leaves New York behind him.

You start up the crowded Hudson, past rows of docks and warehouses with ships tied up beside them—tremendous liners with gaudy smokestacks and uncountable rows of windows and portholes, and dingy freighters, and all the rest of the variegated craft that come to the greatest harbor in the world. A canaller isn't built for speed, and in the crowd of ferryboats, which cut across her bows and flood the cabins of the crew with their wash, she is rather like a stuffy old lady who has attempted to cross the street against the lights and finds herself surrounded by reckless tax-

icabs. But by and by she has steamed far enough up the broad Hudson to be out of the way of these pests, and you begin to experience the noble peace that will be with you for the next few days.

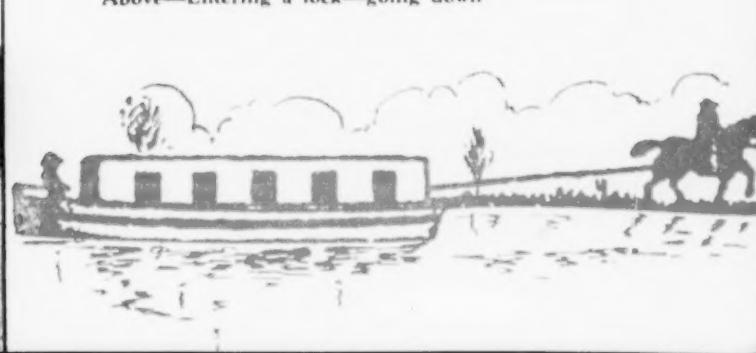
Although I have never seen it, I have heard the Rhine highly spoken of. Until I do see it, I shall continue to believe the Hudson unsurpassed in the matter of scenery. It is surrounded by towering palisades on either side, sometimes covered with greenery, sometimes bare and rugged. Here and there you see traces of a road winding along these cliff-faces, and at night you can watch the beams of automobile headlights describing fantastic evolutions as the driver twists his car along the winding road. Along the lower reaches of the Hudson, colossal bridges fling themselves across the river, high above you, and you may look up and see the distant twinkle of their lights, if it be dark, and hear the traffic rumbling a couple of hundred feet above your head. Evidently this river has suggested the Rhine to some people; more or less medieval castles overlook it from various vantage points, notably the United States Military Academy. And if you happen to be on the midnight to six watch you will see some noble sunrises, coming up from the mountains to the East, clearing away the chill fog which hangs above the water, and gradually turning the first translucent suspicions of dawn into sunlit day.

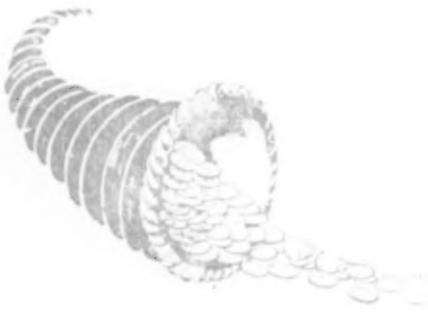
If one is so inclined the Hudson at night is a fine place for meditation. There is no sound but the ripple of your own wash and the faint puffing of the Diesel's exhaust. All the stars there are seem to have clustered above you, and sometimes the water and the dark hills turn silver under a full moon. Nor is there too much traffic on the river. Occasionally an Albany night boat, decks

(Continued on page 32)



Above—Entering a lock—going down





Financing Central Activities

Twenty-eight people are employed by CUNA and its affiliates. Financing the national credit union development presents an interesting problem.

HERE IS an old adage "Money makes the mare go!"

It takes money to run the central activities of the credit union movement. Where does it come from? That question is still asked occasionally and there should be no doubt about it on the part of credit union members affiliated in the National Association.

In the Beginning

We all know where it came from in the beginning; between 1921 and 1934 the Credit Union National Extension Bureau was financed by Edward A. Filene as a disinterested public service. He spent of his own money a million dollars that credit union laws might be enacted in 42 states, the Federal law enacted and the foundations put in for the national development. It was this expenditure which made possible the laws and the fine group of credit unions on the Rock Island system, the Illinois Central, the Chicago Post Office and over eight hundred other credit unions of Federal employees, etc.

Next the Credit Union National Association

When the Credit Union National Association was organized it was decided that it should be a service organization, supported eventually 100% by dues. At first however we received a subsidy from the Twentieth Century Fund of \$25,000 (Mr. Filene organized and contributes heavily to the Fund); the second year (March 1936-March 1937) we received a subsidy from the Fund of \$20,000. For this third year we are asking for a subsidy of \$15,000. Our second source of revenue is from rentals. We rent space to the CUNA Mutual Society for fifty dollars a month and to the CUNA Supply Cooperative for fifty dollars a month. The balance comes from dues, paid by the State Leagues, on the basis of ten cents per credit union member affiliated with affiliated credit unions with a maximum of \$5000 for any one State League. The question is occasionally asked "Does the CUNA Mutual Society (writing loan protection insurance) or the CUNA Supply Cooperative contribute any money directly or indirectly to the support of the Credit Union National Association?"

Financing the CUNA Mutual Society

The CUNA Mutual Society was organized in August 1935 for the purpose of working out a better plan of loan protection insurance. It was made possible by a loan of \$25,000 which Mr. Bergen-

Why Meet?

The Credit Union National Association operates through a national board of directors, consisting of one director from each State and one additional director from that State for each 15,000 credit union members in the State League. Between annual meetings the work is directed by an Executive Committee of nine consisting of the President, five Vice Presidents, the Treasurer, the Secretary and the Managing Director. The expenses of the annual meeting of the Board and of the quarterly meetings of the Executive Committee are paid by the National Association. The first National Board meeting was held at Kansas City, Missouri, in 1935, the second in Madison, Wisconsin, in 1936. The cost is approximately the same wherever the meeting and it has also been felt highly desirable to move the national meeting about until eventually we reach all the great centers of credit union activity.

Most of the meetings of the Executive Committee have been held in Madison and, for purposes of economy, the Boards of Control of the CUNA Mutual Society and the CUNA Supply Cooperative always meet with the Executive Committee. One Executive Committee meeting has been held in Boston, Massachusetts which gave the credit unions of New England a chance to get together in a great meeting with the Committee and also many New England credit unionists a chance to attend the Boston sessions. One meeting of the Committee (the August 1936 meeting) was held at Hayward, Wisconsin, on the theory that better work could be done at a cooler place than Madison in mid-summer. This did not turn out well; the drought and forest fires made that section of Wisconsin very uncomfortable and the sessions were so crowded (as all of our sessions have been so far) that there was no time for the sort of informal conferences and discussions which had been planned. It is hoped however that additional meetings of the Executive Committee will be held in credit union centers. It is a rule of the National Board and the Committee to meet with doors open to all affiliated credit unions.

gren negotiated, one-half of which has been paid off, and by an advance for initial operating expenses by the Credit Union National Association of approximately \$3,500, by eleven months free advertising in the BRIDGE and by constant promotional work by all of the employees of the National Association, State League officials and credit union treasurers. It brought about an immediate reduction of rates by other insurance

companies but as soon as its debt is repaid and adequate capital established it will further reduce its rate as it belongs to the credit unions which use it and, unlike the other companies, need not make a profit for itself or pay commissions to those who are promoting it. *It contributes not one penny directly or indirectly to the operating expenses of the Credit Union National Association.* It is a great success and is now writing new coverage in excess of \$4,000,000 a month. Credit unions have every reason for being loyal to it.

Financing the CUNA Supply Cooperative

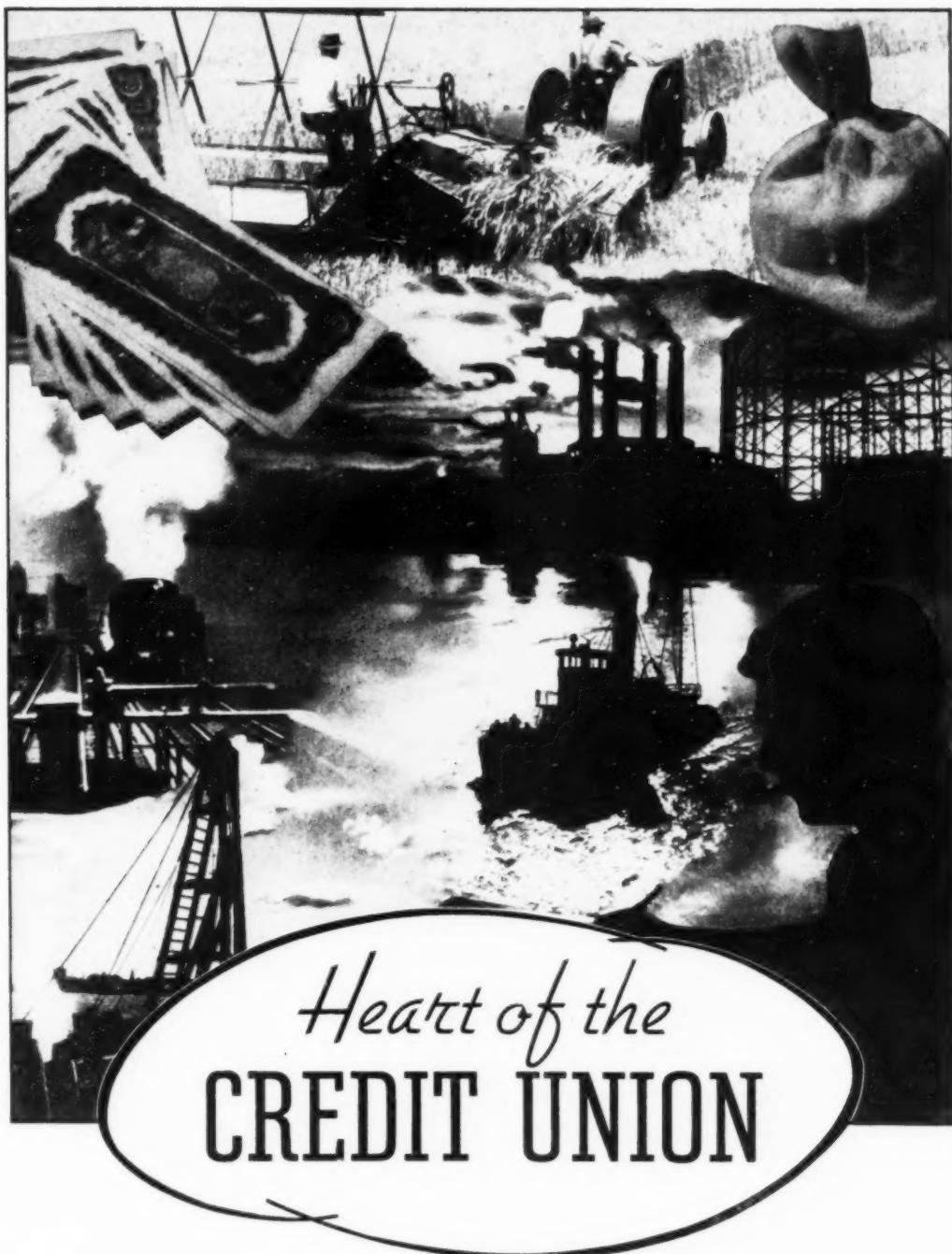
The CUNA Supply Cooperative is a Wisconsin cooperative society, consisting of the State Leagues which belong to it. It is an outgrowth of the Supply Department of the Credit Union National Extension Bureau. *When the Bureau presented this Department as a free gift to the National Association it had a net worth of over \$9000.* We started it back in the days of the Bureau by borrowing \$4000 for operating capital, which was long since paid back. We now have machinery worth \$8000, adequate capital and *do not contribute a cent directly or indirectly to the operating costs of the National Association.* What we do do is indicated by a first cut of 10% in the cost of forms, a subsequent cut which on some items totalled 25% more, a differential to league members of 20% and a probable dividend to member Leagues.

Financing the BRIDGE

The BRIDGE is the only activity of the National Association which is attempting to get going without substantial borrowed capital. It has 38,000 subscribers and is now beginning to get advertising. It costs between \$2200 and \$2400 per month to produce. The BRIDGE is now entering Volume II and its success depends on the appeal for renewals now going out to the first 10,000 subscribers.

The Desirability of Support by Dues

I have never heard of a credit union which had to reduce its dividends because it paid its state and national dues. I have heard of credit unions which pay too high dividends which are fearful that they might have to reduce to a normal dividend by loyalty to their central organizations. I call attention to the Schulze-Delitzsch article contained elsewhere in this issue. Why did so many of his credit unions fail? Too high dividends! Too high interest rates! Commissions to officers for services! No attention to the purpose of credit! No attention to the principle of group association! We are financing our central activities on the right basis; as they develop and each affiliate acquires the reasonable capital it needs, the services possible will increase and multiply with certainty.



Heart of the CREDIT UNION

Should A Credit Union Reduce Interest Rates

MOST experienced persons in credit union work urge new credit unions to charge the maximum interest of one percent per month and to collect it monthly as this keeps the work involved at a minimum. And I suspect that credit unions generally are now following this plan. However, as time passes, many find that they are able to pay all expenses, including a fair wage to the person who does the bookkeeping, set aside the legal reserve for bad loans, and have remaining more than enough to pay a 6 percent dividend. Then they must decide whether it is in the best interest of members to:

- (1) Set aside something in undivided profits so as to be prepared for the rainy day.
- (2) Reduce the rate paid by borrowers, or

(3) Increase the services rendered to members.

I have purposely left out one other possibility—that is, the payment of a dividend greater than 6 percent. There are many good reasons why credit unions should never pay larger dividends. Under present conditions 6 percent seems a high return, especially for money which is secure, readily available, and really working for ourselves. Credit unions are made up of members who save and borrow money and not of one group which saves and another which borrows.

Leaving out of account the setting aside of earnings to undivided profits (a matter to be decided on the basis of future prospects), the first impulse is often to cut the interest rate to borrowers. That certainly is a highly commendable course to take. But here let me make one practical suggestion which will save the treasurer many hours of tedious figuring as he performs his almost continuous task of computing interest on mem-

bers' loans. I refer to the fixing of a new rate when it is decided to charge less than 1 percent per month.

The 1 percent rate is simple and understandable, especially when we deal with monthly or semi-monthly payments. But some of us are paid weekly or bi-weekly and we want to make our repayments at regular pay-day intervals. Then the treasurer faces a problem of the kind which takes us back to the good old days when we were struggling with fractions during grade school. The problem is much increased when any other rate than 1 percent is to be applied.

If the interest rate is to be reduced it is natural to assume that a rate of 10, 9, or 8 percent would give least trouble in computing interest as these rates are, respectively, four-fifths, three-fourths, and two-thirds of the old rate. But such is not the case. Certain "mixed-number" rates, with integer and fraction, will be found more convenient.

Table of Rates

Appended is a table showing what the interest on \$100 at varying rates would be when computed on a monthly, semi-monthly, bi-weekly, and weekly basis. It will be noted that the rates of 12, 10.8, 9.6 and 8.4 percent give a factor which will work out most easily for monthly and semi-monthly calculations, and those of 10.4 and 7.8 percent for calculations on a bi-weekly or weekly basis. The adoption of any such rate will smooth many a recurring wrinkle from the brow of the busy treasurer.

Which rate shall be chosen will be determined primarily of course by a consideration of the amount of net earnings of the credit union, but the question of giving added service to members should also be thought about before the new rate is decided upon.

Officers and members alike should give much study to the possible use of a part of their available funds for educational purposes. Many older credit unions, to cite one instance of the usefulness of such expenditure, seem to have reached the "saturation point" in the demand from their members for loans. But is there not more than a chance that the members are not fully informed, for example, on the saving they might make by borrowing from the credit union and paying cash for purchases? Steady educational work might bring a surprising increase in loan demands. Among other suggested means for carrying on this educational work are the regular distribution of circulars, mass subscriptions to the BRIDGE, the use of posters, etc.

Loan Insurance

Nearly a thousand credit unions have greatly increased the service they are rendering members by insuring the lives of all borrowers and paying the premiums therefor out of gross earnings. A few do not realize that borrowers' protection insurance really works to the advantage of many members who never have borrowed money. In the first place

(Continued on page 22)

WHAT ABOUT IT?

THOMAS W. DOIG

From Indiana

FIRST QUESTION. What is the correct way to rebate interest on loans made at a discount rate of 6% in case the borrower had paid the loan before maturity?

ANSWER. When a loan on which interest is discounted is repaid before maturity probably the best method of arriving at the amount of interest to be rebated to the borrower would be by computing interest at the rate of 1% per month on the unpaid balance at the beginning of each month for the number of months that the loan actually remains outstanding, and deduct the total of this interest from the amount originally discounted. The balance would be given to the member as a rebate.

From Nova Scotia

SECOND QUESTION. In regard to taking chattels on motor cars, radios, shoe repairing machinery, etc.; is it legal to accept such chattels as security?

ANSWER. Yes. Chattels are entirely legal and have proven in the credit union movement to be very good collateral. The general practice as regards taking chattels for security on credit union loans to assist members to buy motor cars, radios, shoe repairing machinery, etc., varies somewhat, depending on what the local regulation is as regards recording. Sometimes in order to make a chattel good security it is necessary to record the chattel in the County Clerk's office, and sometimes this recording fee is excessive, and adds too much to the cost of the loan. In that case we advise retaining title to the chattel in the credit union until the loan is paid.

Sometimes, of course, it is possible to assist a member with a loan to purchase a radio, for example, without other security than the note signed by the maker, if the total involved is fifty dollars or less, or one or two endorsements if a larger sum is involved. We have a form of chattel mortgage note which can be purchased from the Cuna Supply Cooperative.

From New York

THIRD QUESTION. John Doe has been in the habit of buying credit union shares in installments at the rate of \$1.00 per week. He has been drawing out his shares at periodic intervals to buy fuel, car license, and other small periodic expenses. Suddenly faced with an emergency he borrows \$150.00 from the credit union, getting three co-signers for this note. Two have \$150.00 each in shares but the third is not a member of the credit union but has \$150.00 in the local savings bank.

John Doe proceeds to pay on his loan according to his contract, but also continues to buy shares at the rate of \$1.00 per week as has always been his practice. His total holding of shares never exceeds \$25.00 since as stated above he has been in the habit of periodically drawing out his money to pay routine bills.

Our questions now arise as follows:

(a) Can John Doe continue to withdraw his shares periodically to cover routine bills regardless of his \$150.00 loan which is being paid back on regular schedule?

(b) What restrictions are placed upon the three co-signers as regards withdrawal of their savings during the time the \$150.00 note is outstanding?

(c) If John Doe may not withdraw his shares while his \$150.00 note is outstanding he will be forced to discontinue the thrift habit he has formed and through which he finances his routine bills. How can the credit union serve this man's needs while he is paying his note?

ANSWER. (a) Yes, provided his loan is not delinquent he may continue his periodic withdrawals of funds from the share account.

(b) Unless the loan note and application specifically provide that the shares of the co-signers have been made collateral for the loan, the co-signers may also withdraw funds at any time they desire except that those co-signers who are members of the credit union would be required to keep one complete unit of \$5.00 on deposit in the credit union at all times in order to maintain their membership.

(c) Since the first two questions were answered in the affirmative, question "c" which otherwise would be a very logical question, is automatically taken care of. This loan in all probability was made in the manner in which most credit union loans are made by accepting as collateral the character of the borrower and his three endorsers, and the fact that either one of the three might withdraw money from either the credit union or from the savings bank would not in any way reflect upon their character or decrease the collateral which the credit union holds. A requirement that a borrower have three endorsers in order to obtain a \$150 loan seems to me rather stringent. Certainly, you could not ask for better collateral than the signatures of three reliable citizens for a responsibility which totals only \$150.

From Virginia

FOURTH QUESTION. We are a state chartered credit union. My question is that if there should be a net profit of about \$3000 and a 6% dividend was paid amounting to about \$1,500, and \$1,100 was put in the reserve fund and then possibly about six months after annual meeting a member drew out his stock, is he entitled to any part of the \$1,100 that was placed in reserve from profits made while his stock was in operation in the credit union?

ANSWER. No. Funds transferred to the reserve fund of a credit union become the property of the corporation and may not be disbursed except in case of liquidation of the credit union. Each member is constantly receiving value or benefit from this reserve fund in the way of insurance that the money which he has on deposit in the share account of the credit union is safe and will be returned to him upon demand. An individual who receives 6% or even 5% or 4% on

money which is on deposit in the credit union and may be withdrawn at any time should be entirely satisfied with the return his funds are earning.

From Tennessee

FIFTH QUESTION. Our credit union has just closed its third year, having loaned \$783,000 since organization with losses of only \$13.28. We are making so much money that we need advice on what to do with it or whether we should reduce interest rates. \$16,297 earned in 1936 was divided as follows: \$4630 for expenses, \$6269 a 6% dividend, \$2233 to reserve, and \$3135 to undivided profits. Total reserves now amount to almost \$12,000, part in the 20% reserve fund and the rest as undivided profits. We have 2500 members, 1800 borrowers, \$175,000 in share accounts, \$185,000 on loans and still have a long way to go before we take care of all the credit needs of 5000 employees.

As will be seen from the above figures, we are earning about 11% net and it seems extremely probable that these earnings will continue indefinitely, or actually increase as the amount of reserve being loaned out increases. Altho our average in share account was about \$150,000 during 1936 we paid dividends on only about \$100,000 as considerable of this money was in and out within the 12 months. Loans are repaid by payroll deductions and with co-makers on all notes, except where we are covered by a chattel mortgage on a car or new furniture, losses are negligible.

Your suggestions for a long term plan to fit our conditions will be appreciated. If possible, let this appear on your valuable page in the BRIDGE.

ANSWER. (1) First of all may I suggest that your present interest rate charged borrowers be continued. It is a mistake for credit unions at the present time to reduce the interest rate on loans to members.

(2) Since your credit union is operating at least partially, if not entirely, on a payroll deduction basis, the firm by which the credit union members are employed is apparently bearing the entire expense of operation. It is not healthy for us to teach credit union members to receive a dividend which really is made possible because of a subsidy. Therefore, I think that your credit union should reimburse the employer for the service being rendered the employees through the credit union.

(3) A credit union is much like a child. When a baby is born it comes into the world under the protection of existing society, which society has been built up through the labor and suffering of its ancestors. The child is nourished and protected during its early years by its parents, or, if deprived of its parents, by society, and it is expected that when the child reaches maturity it will in turn assume responsibility for upholding and carrying on the social structure which made its life possible. So when a credit union is created, that credit union is made possible because for a cen-

tury, individuals and groups of individuals scattered all over the world have contributed something to the cooperative credit movement. In the United States credit unions are possible because Mr. Filene spent nearly a million dollars of his personal fortune and a great deal of his time and energy in studying cooperative credit and in obtaining passage of laws which made credit unions possible in America. Your credit union was made possible because of the effort and sacrifice of others, and as your credit union has now grown to maturity it has an obligation to credit union society, to carry on in order that other credit unions may be brought into being and their service made available for other people. Your credit union has been protected during its early years by the Tennessee Credit Union League and by the Credit Union National Association. It has been possible for your credit union to develop in such splendid fashion simply because other people have contributed something to this movement and have bound themselves together in an organization which has thrown a mantle of protection about your organization. For this reason your credit union should immediately, if it has not already done so, affiliate with the Tennessee Credit Union League and thus automatically with the Credit Union National Association. You owe this much to credit union society and it is an obligation which you can not set aside and still maintain your self-respect.

(4) The credit union movement is an educational movement and apparently at the present time is working in reverse with the members of your credit union for you are teaching them to accept a dividend out of a subsidy, which is improper. In order that credit union people may have a true conception of the real value of credit unionism it is necessary that the ideals of this movement be brought to the attention of every individual credit union member. This can only be done in one way—through the BRIDGE, which is the national organ of the credit union movement. The BRIDGE is your paper and my paper. It is interested solely in the economic wellbeing of large numbers of people in the United States. It will educate your members and all credit union members with regard to the real purpose of the credit union movement, and a credit union such as yours should subscribe for the BRIDGE for each of its members. In a movement such as ours education is more necessary even than dividends. Some of your surplus earnings could be utilized in paying for a BRIDGE subscription for each member.

(5) The above question sets forth the fact that the loans which your credit union makes are protected by co-signers on the note of the borrower. What have you done to protect these co-signers who make your business possible? In case a borrower dies, does it become necessary for a co-signer to pay the amount of the loan? Or does your firm possibly have group insurance on which you take an assignment to protect the loan? In either case you have not done what is right by the members of your credit union.

If the employer provides group insurance for the employees it is not proper that the dependents of these employees should be deprived of the protection which the firm has given them because of money borrowed from the credit union. These dependents should be protected. The Cuna Mutual Society offers protection for endorsers and protection for the dependents of borrowers at an extremely low rate and I would suggest that your credit union contract with the Cuna Mutual Society for its AA policy, under which policy the life of every borrower is insured for the amount due the credit union at any time thus protecting both the estate of the borrower and his endorser. Let us not in the credit union movement be proud of earnings and proud of dividends which really means that we are putting a premium on personal greed. Let us rather be proud of the humble service which it is possible

for us to render to our members and to those people closely associated with them. Freely we have been given a great gift by Edward A. Filene. Gladly we have received that gift. Let us, as our credit unions become mature, just as freely and gladly accept our responsibilities and just as freely give in order that the economic life of our own members and other people in the United States may be bettered.

From Michigan

SIXTH QUESTION. A borrower insured with the Mutual Society after November 1, 1936, and because of illness or other disability is unable to work for a period of six months or more. Will the loan balance be paid in full, and without restrictions exactly as a death claim?

ANSWER. I assume that this question refers to the new plan of handling permanent disability on the part of borrowers protected by the Cuna Mutual Society. In this particular case, however, there is nothing to indicate that this borrower is suffering permanent disability. You write that he is not able to work for a period of six months. If he is able eventually to get back on the job, he

The Question of the Month

FIFTEENTH QUESTION. Is it a fact that the CUNA Mutual Society contributes anything at all to the support of the Credit Union National Association?

ANSWER. No—not a penny, directly or indirectly. It would be illegal for the CUNA Mutual Society (a Wisconsin Life Insurance Company) so to do. Further—the Credit Union National Association is exclusively a service organization, supported 100% by dues and operating as a Wisconsin not for profit corporation. The National Association does however contribute to the CUNA Mutual Society by promoting the best interests of the Society in every possible way.

certainly would not come within that category.

This liberalizing of the Cuna Mutual policy was made to take care of two cases—(1) the borrower who is unable to work any more at all at his usual trade (a letter carrier who loses a leg, for example); and the other to take care of the case of a borrower whose injury is such that, while he still may have some limited earning power, has lost all possibility of earning his usual living.

From Michigan

SEVENTH QUESTION. What is the manner in which the blanket loan insurance premium is determined at the close of each month's business?

ANSWER. The premium to be paid each month for blanket loan protection insurance written with the Cuna Mutual Society may be determined by multiplying the balance shown as outstanding on loans in the Treasurer's monthly statement by .00085. For example, if the credit union had \$10,000 outstanding February 28, the cost of the insurance for the month of March would be \$8.50.

From Michigan

EIGHTH QUESTION. Is it possible for a small credit union to collect a certain percentage from the borrower? (Blanket plan)

ANSWER. No, it is not permissible for a credit union to collect a percentage of the premium for loan protection insurance from the borrower under the AA or blanket plan.

From Michigan

NINTH QUESTION. Under the individual premium payment plan (borrower pays for loan insurance) is it necessary for the treasurer to report a loan in arrears every month if said loan has been reported once to the Board of Directors, and small payments are made each month plus interest in full?

ANSWER. It would be wise for the treasurer to report to the Board of Directors of his credit union each month the exact condition of any delinquent loans. However it is not necessary that reports of this kind be made to the Cuna Mutual Society.

From Michigan

TENTH QUESTION. We would very much appreciate your advising whether it is possible for officers and committee men to obtain loans on good chattels, whether their share account equals the amount of the desired loan or not.

ANSWER. Section 7 of the Federal Credit Union Act limits loans to officers and committee men to amounts which would not exceed their share holdings. No exception could be made to this rule.

ELEVENTH QUESTION. Can our credit union affiliate with CUNA without affiliating with the state league, and, if so, at what cost?

ANSWER. No, a credit union can only affiliate with the Credit Union National Association through a state league, if there is such a league in the state in which the credit union operates.

From Illinois

TWELFTH QUESTION. What is the fiscal year of CUNA?

ANSWER. The fiscal year of the Credit Union National Association terminates at midnight on February 28.

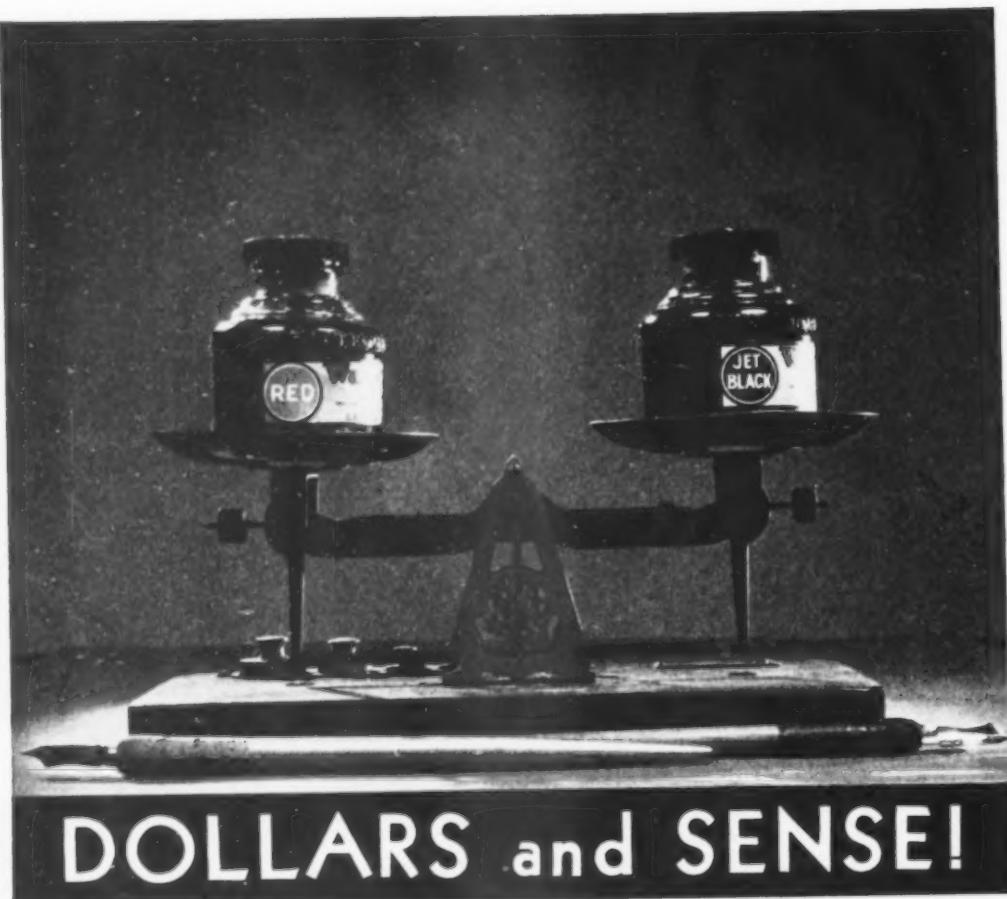
From Louisiana

THIRTEENTH QUESTION. When and where will the annual meeting of the Credit Union National Association be held this year?

ANSWER. The 1937 annual meeting of the Credit Union National Association will be held at the Willard Hotel in Washington, D. C., on Friday and Saturday, April 9 and 10. These meetings are always open meetings and any credit union member in the United States is entitled to participate in any discussion.

FOURTEENTH QUESTION. How is it determined how many members on the National Board a state league has?

ANSWER. Each state league is entitled to one member of the National Board for each 15,000 credit union members affiliated with the state league.



DOLLARS and SENSE!

DO YOU ever give thought to money—to what it really is? You can't eat it; you can turn it into food; you can't wear it but you can turn it (if you have enough of it) into clothes. You can't keep from freezing with it but you can turn it into fuel. You can turn it into a bed and bed covers, into a table and meat on the table, into a car and gas in the tank to run it with, into life insurance and reserves against a rainy day.

A dollar is a good friend if you put it to a good use.

A dollar may be an enemy if improperly employed.

You and your money must work together.

You must begin to have sense about money.

If, for example, you can buy with a dollar an item of food which has no nutrition of real value in it or an item of food which will build your system and sustain life within you—you have no difficulty in making the choice. Yet every day we all of us buy food that is of no real value and very few of us give any thought to diet and the business of eating the sort of food which will give us the maximum results.

It is as if I could for \$20 buy an entire suit of good quality and style or just the vest of the suit. Of course I would take the whole suit. Why? Because it is so obvious that the coat, the vest and the pants are more value than just the vest. Yet in the purchase of food very few of us give thought to getting the whole suit; most of us are satisfied with just the vest.

And when buying clothes possibly we go to an installment clothes shop. They

tell us they have one price—and that all they add is a reasonable interest to the price mark on the suit in the window. They don't tell you that the same suit in a cash shop can be bought for several dollars less and that they have already marked it up for installment purposes.

I repeat the case of the man I knew who was always hard up although he earned forty dollars a week; he had agreed to buy on the installment plan things calling for total weekly payments of fifty dollars. Nor need I repeat the case of the eighty dollar watch—a dollar a week. It looked like a swell watch; it could have been bought at any retail jeweler's for seventeen dollars cash.

For this department we seek only to be a sort of perpetual alarm clock, always popping off in a most disagreeable way until we get all BRIDGE readers to have some fun (agreeing in advance not to get mad with yourself), by making the following investments (a) one penny in a pencil; (b) a nickel or possibly a dime for a little note book at the Five and Ten. Then, beginning today, write down every cent you spent or the family spends; make no effort to change your spending habits but find out what they are. See where the money is going. Determine how much goes for insurance, how much for savings, how much for protection against the rainy day, how much for necessities, how much for luxuries. Find if there is a big leak some place and your money is being lost through the leak. After you have done that for a couple of weeks—take the next step. Get a nice white piece of paper and rule it up and divide it into spaces for the various major items for which

you spend money; note your income and see if you can make out a preliminary not very expert or complicated budget. Be sure and have the wife in on it; husbands and wives should have no financial secrets from each other.

So much for this lesson—I double dare ya! Try it!

National Board Roster

SUBJECT TO a few possible changes between now and our annual meeting (due to State League meetings) the following is the present roster of the National Board of the Credit Union National Association.

Alabama	Clyde C. Parker
Arizona	Irene Hengsbach
Arkansas	Christine Olds
California	John L. Moore
Colorado	Parke S. Hyde
Connecticut	A. F. Dodd
D. C.	James E. Moran
Florida	D. Roland Potter
Georgia	George Gross
Idaho	Moses Davis
Illinois	Geo. J. Keller
	Ralph G. Long, P. D. Holmes,
	Rev. Wm. McGuire, Joseph S.
	DeRamus, F. D. McKeag
Indiana	Leo Kaminsky
Iowa	Ed. Walz, A. Neal Hutchins
Kansas	Clifford Van Sickel
Kentucky	Garfield Seibert
Louisiana	Harold Moses
Maine	Boris Blumenthal
Maryland	James D. M. Marquette
Massachusetts	E. L. Shanney
Michigan	John Suominen
Minnesota	J. C. Howell
Mississippi	C. O. Skorstad, Geo. F. Feller
Missouri	W. H. Davis
	B. F. Hillebrandt, S. R.
	Leach, L. A. Pinkney
Nebraska	Lee A. Borders
New Hampshire	William J. Hurley
New Jersey	Henry Stricker, Jr.
New York	John J. Ammering, N. C.
	Helman, William Reid,
	John Wanhope
North Carolina	H. M. Rhodes
Ohio	Claude E. Clarke
Oklahoma	V. C. Edwards
Oregon	Hugh G. Stout
Pennsylvania	Jos. A. Moore, Mattis A.
	Pottiger, W. W. Pratt,
	Frank Tokay
Rhode Island	Leopold L. Maynard
South Carolina	J. Gorman Thomas
Tennessee	I. A. Martin
Texas	Granville W. Elder
Utah	James H. Wolfe
Virginia	E. L. Field
Washington	Paul A. Boberg
Wisconsin	Charles G. Hyland, Earl D.
	Miller, John P. Roop
Hawaii	B. M. Johnson
Nova Scotia (asso.)	A. B. MacDonald
All States	Edward A. Filene

Someone the other day told the story of the Scotch father who was going on a trip and told his wife, "And don't forget to tell Jock to take his new glasses off when he isn't looking at anything."

CREDIT and UNION

Words of great wisdom from a League Vice President at an epoch making meeting

by

C. W. WEISER

Two WORDS ring out in a world torn with strife and unrest like a clarion call with the promise of peace, happiness and brotherly love. They are *credit* and *union*. Each word is fraught with a volume of thought which makes possible the transmutation of business from a purely technical process to a considerate system of functioning to the best interests of all mankind, and the preservation of sound government . . .

Credit is as old as the history of man. It had its inception at the time when commodity products were the only medium of exchange . . .

The man himself is the chief factor as we pass from the mere exchange of material products into the coordinated relations of those engaged in financial activity. Human welfare and the perpetuation of a well balanced society demand due consideration of the man as the chief factor in the stabilizing of business, and the achievement of the best results with the least loss in time, effort and money. Value must be given for funds received, plus a reasonable rate of interest, in order to maintain the source of funds. Value must be given for labor in the mart of trades, in order to avoid the latter use of an undesirable charity to offset the inequalities in the distribution of wealth . . .

Significance of Union

Union as a concept is as imperatively necessary to specific groups in the transaction of social and commercial enterprise as it is to government. "United we stand, divided we fall" is more than a platitude long since worn out by usage. It is a profound statement of truth. To it we would add "In wisdom there is strength," and conclude with "to thyself be true," and it must follow as the night the day, "thou canst not then be false to any man."

We come now to a new word. It is a compound word, credit-union. The credit union having been founded without a single idea of personal gain, but on a truly altruistic platform in which to help our fellow men to help themselves, precludes the very idea of selfishness or individual aggrandizement. It is a work of



good will in which the reward is the satisfaction of having done what we could for the happiness of our fellowmen, knowing that through this happiness will come betterment of living conditions, and betterment of man himself . . .

Obligations

A conscientious credit union treasurer, and his credit committee are forced by circumstances to act as father confessor, health advisor, attorney and business counselor to the vast majority of his fellow constituents.

The local functioning and progress of local credit unions is not complete unless it recognizes its *obligations to its source, its fellow-workers in other fields, and the imperative demands for expansion*. Each credit union is indebted to its founder in America, its organizer, and its faithful officers. It is, furthermore, obligated to join forces with the other unions, for purposes of study, development, expansion, and last but not least for preservation from destruction by the powers of selfishness and greed which are constantly and subtly active.

The membership of each local credit union in the State League; and of each league in the Credit Union National Association is imperative, if we wish to retain our self-respect, our honesty of purpose, and our *local union itself*. The perfect idea of a credit-union (note the hyphen) makes any course of isolation selfish, inadvisable and dangerous. It thwarts the spirit of union, and defeats the object for which it was founded.

Because of the phenomenal growth during the last year we have reached the same impasse which all great movements have met in all the ages past. We are now confronted by foes . . .

There is therefore but one sane method of procedure for all, and that is to *climb on the same band wagon*, knowing that by very numbers alone, and the fleeting of time, changes must come which will give those capable of leadership the opportunity to fill the places of those of us who never sought leadership, but had it thrust upon us by the very nature of our pioneer work . . .

Balancing the Books

So we "press on to the mark of the prize of the high calling," which is perfect unity in purpose, organization and achievement. In completing our survey, we come now to the balancing of our books—a review of our liabilities and assets.

Our liabilities are not many in numerical groups, but they are tremendous.

1. We owe our friend and benefactor, Mr. Edward A. Filene, \$1,000,000.00 for our very existence.

2. We owe thousands of faithful officers of credit unions for the money they spent out of their personal funds, and the years of constant work devoted to the cause without pay most of the time, and at no time any salary which could be called the equivalent of pay.

3. We owe our dues to both the State League and the Credit Union National Association for the service they are rendering in encouragement given, advice rendered on procedure, forms provided for bookkeeping; battles fought for beneficial legislation; low rates on surety bonds; and the instituting of CUNA Mutual Society, whereby the credit-union, the co-makers, and the widow are protected against loss on loans through death.

4. We owe our whole hearted support to the maintenance of the credit union offices, and its spokesman—the BRIDGE. It is the source of needful information. It is the means of inspiration and it is the source of unity which spells *Success*.

5. We owe our members of our local unions the assurance which the membership in the credit union league and association gives of our successful continuance as a *unit*.

6. We owe the families of credit union members for the trust they place in us to safeguard the organization which has bettered their condition in life.

We have a better citizenry today because of this transforming power than we had a score of years ago; a group which is willing and able to *help their friends* in time of distress, and take their place in upbuilding the nation.

We have the blessing of men, women and children made manifest in words of profound gratitude showered upon us for our efforts in their behalf.

Does credit union work pay? In shekels—NO. But we rejoice in it. It is far better to live for the welfare of our fellowmen, than to take our shekels and sink into oblivion unhonored and unsung.

Our dissertation is ended. Now "forgetting the things which are behind, we press forward." Are you ready?

Let's go!

CARRY A PEAK LOAD

What a Bank Commissioner Thinks!

Are we carrying a peak load?

Here's a Bank Commissioner who says we are not!

I was at a hearing on a bill in which I was interested recently; it had to do with a subject which is remotely related to credit unions and so I went over as a spectator. The Bank Commissioner of the state appeared in connection with the bill and he talked mostly about credit unions. He criticized us because *we are not carrying a peak load*. He pointed out that in the state in question credit unions have surplus money while their members are buying everything they buy on the installment plan; he said that many credit unions do not begin to appreciate their real job. He pointed out the absurdity of credit unions going into the real estate mortgage field when many of their members still go to high rate money lenders. He said that credit unions should not make real estate mortgages; that they should help their members buy coal and the other things they need; that they should take care of *all* the short term credit problems of their members. Standing up for us and praising us and obviously our friend, he gave us a kind of indirect dressing down. Are we carrying a peak load? Not according to this Bank Commissioner.

What Another Banking Commissioner Said!

And I went to another hearing—in a state where the State Board of Bank Incorporation hears all credit union petitions for new charters. The Treasurer of an existing credit union was testifying in behalf of the proposed new credit union and he boasted: "Our credit union never had a bad loan!"

"Then," said the Bank Commissioner of this most conservative state, "you probably have a poor credit union."

This made the Treasurer indignant and he demanded to know why the Bank Commissioner reached that conclusion and, believe it or not, Mr. Ripley, this is what the Bank Commissioner said:

"If you have never had a bad loan you have never taken a chance and it is a part of the credit union's job to take a chance in close cases. It is your job to *loan your money to your members*. Your policy is doubtless driving lots of your members to the loan sharks. You have a guaranty (reserve) fund; you can afford to take chances occasionally. It is nothing to boast about that you never have."

He didn't think we are carrying a peak load.

Make Your Money Work!

Remember the Parable of the Ten Talents of Silver? The servant who buried his talents in the ground and, when called upon to account, brought them back with just a little dirt for increase.

A maximum of service from your Credit Union

No one handed him a medal for his conservatism! The credit union's job is to make your money work. Think of it this way. Imagine a great black board. At the top in a row put the names of everyone eligible to your credit union—a hundred and fifty folks for an average group. Next put a star on every member to see how many of the group you have reached already. A good credit union reaches from 85% to 90% after a few years. Next put under each name the following data: (a) what that person owes to the money lender, the Morris Plan Bank, the butcher, the grocer, the hospital, the doctor and *all* (all is the word) of his other debts. (b) Then list all of his installment balances—what he owes on the radio, the piano, his clothes and the clothes of his family, the electric refrigerator, the vacuum cleaner, the automobile—all of his installment debts (the word is still "all"); and then (c) estimate all of the installment contracts he will enter into during the next twelve months. These three items are the natural credit union business.

There isn't a single reason under the sun why any credit union member in good standing should buy anything at all on the installment plan which he really can afford to own. Now take these three items and add them up and then add up the 150 totals and you will have the amount of money your credit union should be able to loan out. You will find that you need a minimum of from \$50,000 to \$75,000 in your credit union of 150 members before you can begin to do a good job. Think it over! Carry a peak load!

How CUNA Can Help!

We are gradually getting squared away so that we can help a credit union carry a peak load. Here are some of the things ready or in preparation.

(1) *Treasurers bond.* We have a CUNA master bond to which any credit union bonded person may be added. By this method we are in process of establishing a new low rate on actual experience.

(2) We have the CUNA Mutual Society, an insurance company devoting its efforts to placing loan protection insurance on the right basis. It serves only credit unions and credit union members but contributes nothing directly or indirectly to the support of the National Association. So far we have established a new low rate which will be lowered as soon as we have accumulated the capital needed to do business effectively. We have also established the new and fundamental principle of insuring *all* borrowers, the credit union paying for the in-

surance and giving it to the borrower as an additional service.

(3) We have established the CUNA Supply Cooperative to produce and distribute accounting forms at low rates; we have twice reduced the prices since coming to Madison, made possible by new machinery and better operating practices and we also made a 20% differential to League members.

(4) We are publishing this magazine and have a paid circulation of 38,000 so far; in it we shall constantly discuss credit union problems, operating practices with suggestions intended to help you carry a peak load.

(5) At Raiffeisen House we handle legal problems and all matters pertaining to the protection of all credit unions and the perfection of their practices.

(6) We hope to develop soon a central purchasing agency for the things credit unions use; we are getting posters ready, budgets, and making an investigation of small change banks, designed to promote savings. If you have any kind of a problem or need anything—the address is Credit Union National Association, Raiffeisen House, Madison, Wisconsin.

About Small Change Banks

How many of us fritter away small change? The answer is probably—all of us! I recall a friend of mine telling of a friend of his who told him he (the friend) could never join a credit union because he couldn't save "even a quarter a week." He invited my friend into a tavern to prove it and spent over half a dollar for beer in the process of demonstrating his point. We can all save money. The small change banks described on the next page help very materially by detouring just a wee bit of the beer money (and of other money spending of which doesn't really show proportionate results) into savings. Now the business of having savings in the first step and the business of making proper and efficient use of these savings comes next. The credit union helps both ways.



Wot? My lunch!!!

The Poster

THE CREDIT Union Section of the Farm Credit Administration has been cooperating most effectively in the preparation of a group of six (the group will be later on increased to twelve) posters which we plan to reproduce in two sizes—for large and small bulletin boards—and to sell on a cost plus postage basis to credit unions. The idea is that the credit union will have a new poster for each month and that each poster will be colorful and attractive, with an appropriate drawing to attract attention, and a few words on each poster descriptive of one phase of credit union activity. We hope to reproduce these posters in miniature in the April or the May BRIDGE. The great need of the credit union right now is better promotional material. These posters when ready will be a long step in the right direction.

Make Your Own Posters!

We reproduce these little cuts from two of several very attractive mimeographed bulletin board posters used most effectively by the Utilities Credit Union. You can make a quite sporty design on a mimeograph and many credit unions have such machinery available. The first one was used to illustrate a poster which had to do with using your credit union credit in order to have your teeth attended to if in need of attention and the second was used at tax time with some short and very appropriate copy having to do with the use of the credit union to help its members meet their taxes on time. The fact that we could reproduce such excellent cuts from a mimeograph copy indicates how far a credit union can go to get its light out from under the bushel by using easily available equipment.

This gent doesn't look as though he were looking forward with any keen interest to what the dentist is going to do to him but it's a safe bet that the credit union loan which made possible this needed dentistry has decreased at least the worry incidental to paying the dentist for his services.

Let Your Credit Union Lessen the Pain



Lighten the Load By Using Your Credit Union



Publicity

RELATIVELY—we do very little to publicize the credit union movement. We distribute more than a million leaflets, etc., annually and we get some articles written about us as occasionally a writer stumbles across the fascinating work we are doing. But we have done nothing yet to use modern devices for publicizing our very extraordinary cause. We must be getting at that.

Two Jobs

We have two jobs of publicity to do. First we must do a better job within the family; too many credit union folks through no fault of their own know very little about the potentialities contained in this extraordinary piece of machinery we call the credit union. Too many credit union officers even have too little knowledge of what it is all about. They do not know, for example, enough of the history of the credit union; they do not understand the principles on which it operates. We are very glad to have Mr. Clarke remind us in this issue of the credit union origin so that we may get back to credit union fundamentals in our thinking. We have the copy now available for six of a series of twelve posters which we shall publish shortly for credit union bulletin board use and you will find in forthcoming issues of the BRIDGE many suggestions for getting across to your members the fundamentals of credit union service.

The credit union should be interested in the protection of the member's dollar from the time he gets it, whether he is a wage worker or a farmer. It should interest itself in at least the following matters which affect that dollar:

(1) It should supply the member with a method for saving some part of the

dollar. The value of the credit union, the *real* value of it—is not to be found in its service as a depository for large individual deposits. It's primary value is in recognition of the fact that most of us cannot save appreciably unless we save systematically. It is the business of saving a quarter of a dollar a week, until one can save fifty cents and then later on a dollar a week that is the important thing. The credit union takes the installment plan and makes it work *for* instead of *against* the member. A good slogan might be—SAVE ON THE INSTALLMENT PLAN THAT YOU MAY BUY FOR CASH!

An Example

I recall some girls who have belonged to a credit union eighteen years and who have several thousand dollars to their individual accounts, girls who were never able to put in at any given time any large sums of money. It is a mistake—possibly the greatest mistake a credit union can make—to encourage a division of the membership into savers and borrowers. The ideal credit union, as noted elsewhere in this issue consists of members, all of whom are savers and some of whom borrow from time to time. I am experimenting with a small change bank; I keep it on my desk; to keep it happy and contented I have to feed it a dime a day and fifteen cents every ten days and a quarter extra as I pay from one month into another. At first it was a nuisance but I have trained myself to have dimes in my pocket and I am getting systematic and regular in the transfer of these dimes to the bank. The treasurer of my credit union has the key to the bank and I am averaging better than five dollars a month extra saving by the simple process of sewing up the hole in my pocket through which all the dimes used to go.

Let's first, therefore, use the credit union for savings. Let's publicize the fact that the credit union is, on the record, the safest place for saving; let's get the dime bank habit; let's get out of the Red Sea into the Black.

Week by week, month by month, let's do everything in our power to get the word to every credit union member and to every person eligible to the credit union that the credit union will get its member ahead of the game financially if he will only use the credit union machinery.

Next month we'll take up the matter of publicizing the credit side of credit union banking.

A bird in the hand is bad table manners.

Success has turned more heads than halitosis.

"What was the explosion down on Si's farm?"

"He fed his chickens lay-or-bust feed and one of them was a rooster."

SAVING—LOTS OF DOLLARS

Having to do with how a group of city employees saved \$155,000.00

By GEORGE F. FELLER

THE DECEMBER meeting of officers, directors and committee members of the City and County Employees Credit Union at St. Paul, Minnesota, found many of the original organizers of this credit union still on the job and making it grow and function smoother than ever.

The accompanying picture was taken December 12, 1936, after the first dinner meeting ever held by this Board. In the back row, from left to right, we find Cliff Nystrom and Hilary Flynn, who have served as members of the Supervisory Committee ever since its inception in 1928; Otto Rowe and George P. Dean, members of the Board; Fred B. Wilson, member of the Supervisory Committee; William Peters, member of the Credit Committee; H. M. Hackner, vice-president; and Arthur Sundberg, member of the Board since its inception.

In the front row, from left to right, Gus Bjonerud, member of the Board and who has served continuously since its inception; Frank E. Hoffman and Joseph Pavlicek, members of the Board; Miss Rose Schneeweis, first lady to serve on the Board; George F. Feller, treasurer since its inception and member of the Board; and Edward W. Jahnke, member of the Credit Committee.

Other members not in the picture, are Arthur Blom, member of the Board since its inception; George Sadek, member of the Credit Committee; and George A. Sheahan, president ever since the inception of the credit union, who was kept away by illness.

In recognition of the keenly felt loss to the credit union organization, the following resolution was unanimously adopted at the annual meeting of the City and County Employees Credit Union on January 15, 1937:

WHEREAS, George A. Sheahan, the president of this organization, has through ill health, been necessarily prevented from being present at the various business meetings of the organization; and

WHEREAS, Through such absence, the organization has suffered the loss of his valuable advice and service; now therefore, be it

RESOLVED, That the officers and members of the City and County Employees Credit Union extend to their president their sincere sympathy, and join with



Board of Directors—City and County Employees Credit Union

him in the wish that his recovery be speedy and that he will soon be again able to be with us with his mature counsel and assistance. Be it

FURTHER RESOLVED, That a copy of this resolution be forwarded to George A. Sheahan after having been entered upon the records of the organization.

It is conservatively estimated that the City and County Employees Credit Union has increased the purchasing power of all its members since its origin approximately \$155,000. This is most assuredly a conservative estimate, for in the State of Minnesota, where legislation is not geared to protect its citizens from exorbitant and usurious charges, the interest rates run from 22%, charged by legitimate companies, up through 60% charged by automobile finance companies, and as high as 600% by the high rate money lenders. It can be readily seen that these rates are far in excess of 3%, which we shall use as a means of comparison.

The total amount of interest collected by the credit union since its beginning in 1928 is \$53,619.19, and this was at the rate of 1% per month on unpaid balances of loans. Now, for the sake of comparison, we will assume that this same amount of money had been borrowed from higher rate lending companies at the rate of 3% per month, and we find that the interest so paid would have amounted to \$160,800, in round figures. So by this reasonable interest rate alone the credit union has saved its members \$107,200 in the last nine years.

In addition to that, hundreds and hundreds of "Loan Shark" cases have been settled through the credit union and with the assistance of the Legal Aid Department of the "Family Service," a branch of a privately endowed charitable institution in St. Paul. In settling these cases the debts of the borrowers were paid on a normal basis, not a legal one, and even

then saved the luckless victims a total of \$20,000. You will understand that I mean by "moral basis" that the *principal* of the loans made by these loan sharks, *plus a reasonable interest*, was repaid to them, while if cases where usurious interest rates are charged were settled on a legal basis, the debt would be cancelled entirely, not even the *principal* being collectable.

Another saving has been effected for the members of the City and County Employees Credit Union through the writing of insurance on loans through the Credit Union National Association, and this has amounted to \$3000, actually saved on insurance premiums during the past fourteen months.

Last, but not least by the proverbial "long shot," is the fact that dividends have been declared every year from six to seven percent on the shares invested in the City and County Employees Credit Union. The accumulated amounts of these dividends is \$28,303.53. The dividend declared by the credit union has always been in excess of dividend rates which members were able to get elsewhere, even if he or she was able to invest in Government bonds which of course secure the *principal*. Members of the credit union have always been able to receive 100% for their shares and deposits when they wished to cash them in. This could not be said by many investors during the depression years, as they lost not only the interest but the *principal* which they invested in various fields of business and speculation.

The Result

So you see, the summary of all these savings and dividends add up to over \$158,000 which is, in effect, increased purchasing power for the members.

Besides the above figures, take note of the reserve fund and undivided earnings of approximately \$13,800 which belong

WISCONSIN



SUPPLEMENT

PUBLISHED BY THE WISCONSIN CREDIT UNION LEAGUE, 259 EAST WELLS ST., MILWAUKEE, WIS.

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Falk Credit Union,
Milwaukee, Wisconsin

R. SANDERS, Vice-Pres., Dist. 5
Marathon Paper Mills Employees
Credit Union
Rothschild, Wisconsin

WALTER E. MEYER, Secretary
Plankinton Credit Union
Milwaukee, Wisconsin

JOS. A. KUEMMEL, Managing Director and Treas.
Gridley Ice Cream Div. Credit Union,
Milwaukee, Wisconsin

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Kenosha, Wisconsin

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Postal Credit Union
Eau Claire, Wisconsin

M. A. PUERNER, Vice-Pres., Dist. 3
Municipal Employees Credit Union
Janesville, Wis.

E. J. OVESON, Vice-Pres., Dist. 7
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No. 415 Credit Union
Superior, Wisconsin

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Seaman Body Credit Union
Milwaukee, Wisconsin

O. B. MYERS, Dues
Northwestern Mutual Credit Union
Milwaukee, Wisconsin

LEAGUE OFFICERS

COMMITTEE CHAIRMEN

Vol. 1, No. 2

MADISON, WISCONSIN

March, 1937

Opportunities For Credit Unions In Wisconsin

CONSERVATIVELY estimated, the people of Wisconsin used in 1935 \$150,000,000 of consumer credit. About sixty million of this was for automobile payments, another sixty million for retail merchandise such as radios, refrigerators, furniture, etc., and about thirty million for what may be called necessary loans—doctor bills, emergencies rising from accidents, sickness, etc.

It is generally estimated that from 85 per cent to 93 per cent of our people are unable to obtain bank credit. In Wisconsin we have a population of about 2,900,000—or some 600,000 families. At least a half million of these cannot get bank credit. Allowing that 100,000 families do all their buying strictly for cash, there still remain 400,000 families to use 150 millions of consumer credit each year—roughly \$375 a year for each family. These people have no choice but to secure this short-term credit from commercial institutions engaged in the work for gain.

Organization Operations

The legitimate operation of such organizations is provided for in our state laws under various headings. There are small loan companies, under Chapter 214 (50 licenses, making 51,515 loans in 1935 of approximately 7½ million dollars, at a rate ranging from 18.3 per cent to 30 per cent a year); direct loan companies under section 115.09 (58 licenses, about 3 million dollars a year, at 10 per cent discounted) and 115.07 (26 licenses, with rates ordinarily ranging from 22 per cent to 30 per cent but sometimes up to 40 per cent); sales finance companies (125 companies and 106 banks hold licenses—a legal quirk allows even over 100 per cent a year, should the traffic bear it); motor vehicle dealers (2241; automobile salesmen (6213)—all these agencies supply consumer credit, at a handsome profit.

A word of explanation should be added about the usual method of computing in-

Bridge Subscriptions!

Now that the Wisconsin League is so fortunate as to be permitted to have one of these supplements in each copy of the BRIDGE (by virtue of our state having 2,500 subscribers to the BRIDGE), we believe every Credit Union in Wisconsin will want at least their Board of Directors and Credit Committee to receive this publication regularly.

This most worthwhile publication to all credit union members, can now be personalized for its Wisconsin readers, and with their cooperation in sending in pictures and information on their credit union, cities, and anything else that they think would be of interest to other State credit unions, it should become very interesting to all.

If any credit union has failed to renew as many BRIDGE subscriptions as they had last year, we would hasten to advise them to "get back in the boat", so they won't miss any issues. The prologue of the February issue which is the last of Volume I, holds forth some promises of additional very interesting features for the coming issues. At the extremely low cost of only 50c a year, every credit union in Wisconsin should have at least a dozen copies, and we are expecting many credit unions will send in subscriptions for 100% of their membership, as stimulated interest in their credit union will more than pay for the subscriptions.

terest on these loans, and the method of repayment—for therein lies the "joker" that makes the interest usurious. If I owe \$300 on an automobile, and I agree to pay \$25 a month for one year to pay it off, and I am charged 6 per cent of \$300 or \$18 as interest, I am by no means paying 6 per cent simple interest, but in reality 11.67 per cent interest—for during the last month of my loan I am still paying 6 per cent on the full \$300. When the usual service and investigation charges are added, the actual price I pay for the use of the money borrowed runs well above 20 per cent a year. Interest of 6 per cent "discounted" or paid in advance, really means twice that rate in terms of simple interest.

The legitimate organizations, just mentioned, engaged in supplying the vast consumer credit needs of Wisconsin families, must be distinguished from the unlicensed, illegal small loan operator fittingly called the "loan shark." In a recent investigation by the Banking Commission these usurers themselves admitted under oath that they extorted from poor borrowers an interest rate beginning at 200 per cent, with an ordinary range of 400 per cent, and frequently reaching 700 per cent per annum. Where legal consumer credit is not available, investigations showed an average interest charge for small consumer credit loans of 18 per cent to 20 per cent a month.

Banks and Consumer Credit

Of the 150 millions of consumer credit used in Wisconsin in 1935, only about 8 million was supplied by banks. Many banks charge a dollar service fee—some \$1.50—on a \$100 note for thirty or sixty days, beside the 6 per cent—this is the equivalent of 12 per cent on a 60 day note and 18 per cent on a thirty day note; when the service charge is \$1.50 the interest is 36 per cent to 42 per cent, depending on whether they charge interest together with the fee. Banks are not to be necessarily criticized for this; the overhead cost on such loans is relatively very high and banks, of course, are organized primarily to realize a profit on all transactions.

The great opportunity for parish credit unions in Wisconsin is precisely this fact; that some 400,000 Wisconsin families are now forced to use an average of about \$375 a year in consumer credit for which they are forced to pay extremely high interest. Parish credit unions can enable these families to supply their own consumer credit at much lower cost than any commercial agency. There are three mighty services a parish credit union can offer its members: (1) promote systematic saving; (2) provide short-term consumer credit on easy terms; (3) educate its membership to a realization of the almost incredible economic waste in-

(Continued on page 3)

A Message From President Brice



After serving nearly a year as President of your State League, I wish to make the following statements. They represent my belief, and I solicit your comments on each and every statement.

The By-Laws of the League now specify that the dues schedule be set at the annual

meeting (which occurs in May), and that the fiscal year end March 31. This in my opinion has proved to be a very poor arrangement, and I recommend that it be changed.

The fiscal year should end December 31. Why any other time, which only tends to cause confusion and misunderstanding?

The dues should be definitely set in some such manner so that the credit unions could be billed in January. Then in May at our annual meeting, delegates representing credit unions who are actually members for the entire year will dictate as to how the League shall be run. Look back to last year's meeting. Many credit unions represented by delegates did not affiliate with the League.

The present rate of dues is now set at $2\frac{1}{4}\%$ gross income plus 10c per member for National Association dues. I believe that one rate should be set, as for example, 5% of the gross profits, which is about the equivalent of the above rate. This would, of course, include the national dues.

There should be a minimum amount to be paid of not less than \$2.00 per year. At the present rate many credit unions pay less than \$1.00 and as little as 3c. Herewith a figurative picture of State League dues collected in the 1936 fiscal year:

Paying neither dues or fee	25
Paying membership fee only	37
Paying less than \$1.00	24
Paying between \$1.00 and \$2.00	13
Paying between \$2.00 and \$3.00	11
Paying between \$3.00 and \$4.00	13
Paying between \$4.00 and \$5.00	12
Paying between \$5.00 and \$10.00	29
Paying between \$10.00 and \$25.00	26
Paying between \$25.00 and \$50.00	9
Paying between \$50.00 and \$100.00	3
Paying \$100.00 or over	1

There should also be a maximum set, say \$300.00. This is all that any one credit union would pay the League and will include national dues which the League will pay. There are some new credit unions with an extremely rapid growth in membership the first year or two during which time the assets and profits cannot keep pace. The present dues rate forces these credit unions out of the League as they cannot pay. Then you have the other extreme, credit unions with large assets and profits with

a small membership. These credit unions prefer the membership rate of dues, not the percentage on gross profits.

The League is composed of all these various credit unions, each a little different from the other. A flat percentage rate on gross profits only or on assets is fair to each and every one—large or small. A \$300.00 maximum will bring in some of the larger ones, which are not now members, and will keep others in the League.

Again I repeat, I solicit your comments regarding the above suggestions, which I believe I can safely say reflect also the opinions of the Board of Directors.

Gone But Not Forgotten

THE WISCONSIN League has lost a very active and valued executive by the transfer of Ralph Karl, chairman of the Extension Committee, and from Milwaukee Armour Co. Credit Union, to the Baltimore, Maryland, plant of the Armour Company.

We are sure that the company's credit union in Baltimore will soon realize his value and experience as a credit union man and will not be slow in taking advantage of his services.

President Brice has appointed A. Ratzburg of the Armour Credit Union to fill the vacancy which we are sure he can do to advantage.

Judge: "So you broke into the store just to get a dime cigar. Then what were you doing at the safe?"

Prisoner: "Your honor, I was putting in the dime!"

NEW MEMBERS

WE ARE pleased to report that seven more credit unions have fallen in line with the members of the Wisconsin Credit Union League and are striving for bigger and better credit unions throughout the state. This makes a total of two hundred and three credit unions that are affiliated with the State League, distributed according to districts as follows:

Appleton District No. 1	36
Milwaukee District No. 2	84
Madison District No. 3	37
La Crosse District No. 4	8
Wausau District No. 5	18
Eau Claire District No. 6	9
Superior District No. 7	11

If you are not a member, why not contact the League office for complete information as to the advantages of joining, etc. Remember our slogan: "You need the League and the League needs you."

Our seven new members are:

Fenwood Credit Union	Fenwood
Niss Credit Union	Milwaukee
Service Bakery Credit Union	Appleton
Shoe Box Credit Union	Milwaukee
State Employees of Milwaukee	

Credit Union	Milwaukee
Stolper Steel Credit Union	Milwaukee
Western Council Credit Union	Racine

Attention Please!

THE OFFICERS and directors of the League wish to call to the attention of the credit unions of the state of Wisconsin the fine work of the State Banking Commissioner, Peter J. Cleary, who has always extended a very helping hand to the credit union movement in Wisconsin. This has again been proven by his appearance before the assembly committee on insurance and banking at which time he expressed the thought that there was no need for a state administered small loan business as proposed in a bill presented to the legislature.

New Savings Calendar

Are you interested in this fascinating device to help you save for your shares account? If you keep this calendar up to date you will have saved \$40.00 during the year. Twenty-five cents will change the month, ten cents to change the day, and a nickel to change every tenth day with the daily dime. Also the conscience fund, and a place for bills in the side.

These banks list at \$1.50 each, less a 10% discount to members of the Wisconsin Credit Union League. These banks can be ordered from the League.



New Supplies

THE MOST interesting addition to the forms available at the State League office are the new Budget blanks mentioned in the February issue of the BRIDGE, and believe me, they are something to sit up and take notice of. This form known as No. 100, is the most comprehensive and complete budget sheet to be found, and is especially designed for the use of credit unionists. It of course has separate month columns each of which has a space for estimated expenditures as well as the actual costs, it has an index of proper distribution of income for different salary classifications, and on the back it has an Insurance Premium calendar, a personal financial statement, and a most interesting exposition of the functions of your credit union.

It's a safe bet that a prospective borrower that can bring in this budget form, properly filled out, will receive the utmost consideration from the Credit Committee. Order Form No. 100 at a cost of \$1.20 per 100.

Have you seen the new Grey Covered Pass Book? It's a great improvement over the old green one, and by leaving out the Deposit column on the credit side, and with the new brighter ruling it will prove very popular. (Same price as the old green ones.)

The new Minute Book with a red manilla binder is less expensive than the original book and with the generous binder, at only 55c, is good value.

The new Dividend Work Sheet No. 19 will give you a permanent record of the dividend history, and as it is punched for a binder it can be kept neatly filled.

CUNA EMERGES. No credit union library is complete and no officer well informed, unless he has read (and he should own his own copy for ready reference) CUNA EMERGES. This book by National Association Managing Director, Roy F. Bergengren, is available through the League office for 60c.

Consult Your Credit Union

WHEN CONTEMPLATING purchases on the time payment plan, or your other small loan problems, it will be to your advantage to consult with your credit union. You will avoid paying the customary large carrying charge, which the finance companies demand.

We at the Falk Credit Union have progressed rapidly due, we believe, to the very liberal attitude we assume in accommodating the borrower.

We have found it good business judgment to remind our members monthly of the fact, regardless of the amount or purpose of the loan, to consult their credit union first.

GEO. R. MARTINS, Pres.,
Falk Credit Union.

Credit Union Membership

THE MOST recent report of the State Banking Department, shows a state membership of 69,816, in the 440 credit unions reported on, and also shows that there are 223,649 eligible to membership in these same credit unions. It seems, upon studying the reports of the leagues in other states than Wisconsin, that membership drives are not to be recommended. It has been found that member-get-a-member campaigns are more satisfactory for several reasons; first, the member interviewing a prospective member will tell his prospect more than he would learn in an open drive, and the new member will be more liable to "stick." Second, the new member comes to the union well recommended by an older member, who is well known to them.

A credit union that is not serving more than this small 31% of its potential membership is remiss in its duties, and might find that greater service will result in aiding themselves to solve such problems as too much unused moneys on hand, or the reverse, of finding more avenues of income to supply loan applications they cannot now fulfill.

As service is the real reason for a credit union's existence, let's analyze the job we have done so far, instead of being satisfied with the fair job that we have done.

Opportunities For Credit Unions

(Continued from page 1)

volved in present "time payment" family buying. I believe the educational phase of credit unionism is its greatest contribution to social welfare. Very few people have been aware that they were paying about 50 per cent interest a year on the money they borrowed when making "time payments" on purchases.

"To enjoy the game of life, play it fairly." And, "Friends are the most worthwhile things in life."

'Round' the Office

A. RATZBURG, newly appointed Chairman of the Extension Committee, has been an occasional visitor at the League office and proved himself to be fully credit union minded.

Although Paul Habegger, Treasurer of the St. Catherine's Parish Credit Union, purchased a copy of "CUNA Emerges" for his credit union some time ago, O. J. Roehl, Chairman of the Credit Committee of the same credit union, recently came to the office praising the book and requested a copy for his personal use.

We are pleased to report that the Red Crown Credit Union, Milwaukee, is working for the extension of a credit union in each of its Standard Oil branches in southern Wisconsin. The Globe Union Credit Union, Milwaukee, is hoping to achieve a similar plan with their company branches in other states.

A. J. Holmes, Treasurer of the Cutler Hammer Credit Union, and Ray Holtusen, Ass't. Treasurer of the Allis Chalmers Credit Union, have ordered supplies in large lots and reported that their employees are increasingly becoming interested in the credit union movement.

An out-of-town visitor during the past week was Elmer Neu, Treasurer of the Mechanic's Credit Union, Waukesha, and a member of the Auditing and the Technical Committees of the Wisconsin Credit Union League.

Why not stop in at the League office, 259 East Wells Street, if you happen to be in down-town Milwaukee. Our office hours are from 10 A. M. to 5:00 P. M. daily and from 7:00 to 9:00 P. M. on Monday and Friday evenings.

If there is anything interesting happening at your credit union, come in or drop us a line about it so we can spread the word around to other credit unions.

Without a doubt all Chapters in the state have had their annual election, and we would appreciate receiving a list of the new officers for this current year, secretaries please favor us promptly.



Over 450 attend Annual Meeting of Falk Credit Union

Loaning Fund Idea Opposed

MADISON, WIS.—Peter J. Cleary, state banking commissioner, told the assembly committee on insurance and banking Wednesday that there is no need for a state administered small loans business because of the rapid replacement of private small loans companies in Wisconsin by credit unions.

Mr. Cleary spoke at a hearing on a proposal of Assemblyman Mueller (Prog.) Milwaukee, to set up a \$500,000 revolving fund from which the state banking department could loan sums of less than \$300.

In 1931, Mr. Cleary said, there were 196 small loan companies in the state with outstanding claims of \$15,500,000. In 1935, he added, there were but 48 companies with loans of \$7,417,000. He said credit unions have increased from 201 in 1933 to 455 in 1936.

Mr. Cleary disagreed with Mueller's statement that the state could loan money at lower interest rates than private companies. Credit unions, Mr. Cleary said, can operate on the lowest rate because they have no salaried officers nor office rentals.

"The credit unions," he said, "are so rapidly covering the small loans field that within three years Wisconsin will no longer be troubled by small loan problems."—Reprinted from The Milwaukee Journal, March 4, 1937.

The Contact Man

THE CONTACT MAN in any financial organization is the "Key Man" and on him rests, primarily, the member's impression of the organization, whether or not he has the maturity, tact, and a real understanding of the family problems, as well as an ability to understand borrowers' psychology. In our credit unions in Wisconsin, the contact man is usually the treasurer and therefore too much stress can not be placed on the proper selection of this officer.

It is a highly technical job, especially in the making of the loans, and a man that might be the best possible bookkeeper might also be the worst possible one for the loaning contact man. A certain amount of friendliness is necessary to establish that confidence that will induce the borrower to reveal those facts so important in the making of the loan, an ability to assist the borrower to fit the necessary payments into his regular budget, to secure enough facts so that he can tactfully keep a borrower from getting in too deeply, and to sell him on the real benefit to him of the loan, which will make the assurance of the regular repayment more sure.

If your credit union is not making the progress that it should be making, analyze this fellow, have a talk with him, and endeavor to impress him with his responsibility not only to keep good records, and to take care of the money, but



JOSEPH A. KUEMML
Treasurer and Managing Director
of the
Wisconsin Credit Union League

MMR. KUEMML has been active in credit union work for five years, his first contact with the credit union movement resulting from his being elected Treasurer of the Gridley Ice Cream Division Credit Union, Milwaukee, Wisconsin. He still is Treasurer of this credit union. He later became interested in the credit union movement outside of his own credit union by being appointed on one of the committees at the time of the organization of the Milwaukee County Credit Union Association. After the formation of the State League, Mr. Kuemmel was elected as Treasurer and General Manager of the State League.

Annual Statements

THE STATE LEAGUE office has received numerous annual statements (mostly from Milwaukee County) and we certainly find them most interesting. Among those received are the following:

Falk Credit Union, \$85,000.00.
Northwestern Mutual, \$186,000.00.
Phoenix Credit Union, \$140,000.00.
Milwaukee Journal, \$120,000.00.
Milwaukee Municipal, \$195,000.00.

We are always glad to receive these statements, and if you want to send them in at any time we will be glad to look them over and refer any question that you may have to our technical committee of which Val Jacobi of the Seaman Body Credit Union is Chairman.

to dispense all of the understanding, helpfulness, friendliness, and cooperation that he is capable of.

New Credit Unions

THE LEAGUE takes this opportunity to welcome the new credit unions! We are proud to state that eleven credit unions have been organized since the first of the year. You can see that the credit union movement is really going places in Wisconsin.

Although you eleven credit unions are new, we hope you are progressing successfully and we want you to know that we here at the League office wish to become acquainted with you personally but if mileage does not permit that, be sure to write us of any problem which arises and we will be pleased to be of an assistance to you.

The credit unions recently formed are:
Fenwood Credit Union.....Fenwood
Greenville Co-op Credit Un.....Hortonville
Hannahs Credit Union.....Kenosha
Niss Credit Union.....Milwaukee
Resettlement Credit Union.....Milwaukee
Rundle Credit Union.....Milwaukee
St. Joseph's Cathedral Credit
Union.....La Crosse
Service Bakery Credit Union.....Appleton
Stolper Steel Credit Union.....Milwaukee
Telco Credit Union.....Kenosha
Wrot Washer Credit Union.....Milwaukee

CUNA Mutual Insurance

JUST A LINE to remind you that if you have not written your state senator and assemblyman from your district, that you want Bill 48S by Senator Ingram passed, to hurry and do so at once.

You no doubt received a letter from Earl Rentfro dated January 9, 1937, telling you that this bill would permit CUNA Mutual to write the AA, or complete coverage insurance for all borrowers of any credit union, at a reduced cost.

Also the bill would permit the credit union to pay all of the premiums, to pay part and the borrower to pay part, or to permit the borrower to pay all of the premium, but to take advantage of the group rate.

Even though you are not now interested in the AA coverage, or even if you are not using CUNA insurance, we appeal to you for your cooperation in this matter, as your Board may elect to use borrowers insurance any time, and we want AA available to all credit unions any time they want to use it. Thanks.

100% Membership

IT HAS JUST come to our notice that there are two Milwaukee credit unions who are bragging, and justly so, for they have a 100% membership record:

Bruce Credit Union, Bruce Publishing Co.
Gridley Ice Cream Division Credit Union.

We want to show them that they are not the only 100% signed up credit unions in this outstanding Credit Union State.

Let's hear from you if you can qualify.

to the credit union and acts as a cushion against any unfortunate circumstances.

The chances of loss in the credit union have been proven to be very small indeed. The City and County Employees Credit Union made 7,614 loans in its first nine years of existence, involving \$1,205,508.30 of share and deposit money, and only two of these had to be charged off, one for \$343.00 on account of death before insurance of loans was made compulsory, and the total amount of loss sustained altogether was \$373.72. This shows the percent of loss to be .00031 on the business actually done in the last nine years, and the chance of further loss from deaths is now rendered absolutely nil by the decision to have the credit union pay for all insurance on outstanding loans on the budget plan of insurance with the CUNA Mutual Society. This insurance with CUNA also covers against permanent or total disability of the borrower. The story of how this is possible is worthy of a complete book in itself.

The infinitely small amount of loans charged off during these years, the \$373.72 mentioned above, is evidence and a testimonial both to the integrity of the borrowers and to the sound business judgment of the members of the Credit Committee.

It is with a deep feeling of gratitude that the officers, directors and committee members of the City and County Employees Credit Union remember the 28th day of January, 1928, when the story of the Credit Union Movement was told them by Thomas W. Doig, then treasurer of the Minneapolis Postal Employees Credit Union and now Assistant Managing Director of the Credit Union National Association. He told them of the boundless hopes and idealism of the founder of the Credit Union Movement, Edward A. Filene, who has subsidized the movement unstintingly, and is still "standing by" to see the influence of the Credit Union National Association spread to every corner of the nation.

Regional Managing Directors

HERE'S a suggestion which is being given very serious thought wherever a few credit union leaders meet. What does the credit union movement need most? The answer is always the same, "Contact." Contact to be established by more managing directors. We need more full time men in the field. How to get them? Suppose we have three or four adjoining states; none of the State Leagues in these states can afford an individual managing director. The thought is at first to combine them in a regional group, pool their State League dues and employ a regional managing director. Then as any state within the group gets enough credit unions to warrant the employment of a managing director by itself it will withdraw from the group. We hope to try this plan out within at least one group before summer.

Pudd'nhead's Calendar

ONE OF THE best thrillers I ever read was "Pudd'nhead Wilson" by Mark Twain. It has to do with the discovery of crime by finger prints, probably a relatively new method of crime detection at the time the story was written. Incidentally Pudd'nhead devised for his own amusement a calendar which reflected the results of his study of human nature over the long period of his life when he was trying to establish himself as a lawyer. My edition of this book has liberal quotations from this calendar as chapter headings. Here are some of the best of them, chosen more or less at random.

» Adam and Eve had many advantages but the principal one was that they escaped teething.

» Training is everything; the peach was once a bitter almond and cauliflower is nothing but cabbage with a college education.

» April 1. This is the day on which we are reminded of what we are the other three hundred and sixty-four.

» Consider the flea!—incomparably the bravest of all creatures of God, if ignorance of fear were courage. Whether you are asleep or awake he will attack you, caring nothing for the fact that in bulk and in strength you are to him as are the massed armies of the earth to a suckling child; he lives both day and night—all days and all nights—in the lap of peril and the immediate presence of death and yet is no more afraid than is the man who walks the streets of a city that was threatened by an earthquake ten centuries before. When we speak of Clive, Nelson or Putnam as men who "didn't know what fear was" we ought always to add the flea—and put him at the head of the procession.

» October! This is a peculiarly dangerous month to speculate in stocks in. The

others are July, January, September, April, November, May, March, June, December, August and February.

» Nothing so needs reforming as other people's habits.

» If you pick up a starving dog and make him prosperous he will not bite you. This is the principal difference between a dog and a man.

» Let us endeavor to so live that when we come to die even the undertaker will be sorry.

» Habit is habit and not to be flung out of the window . . . but coaxed down stairs a step at a time.

» One of the most striking differences between a cat and a lie is that a cat has only nine lives.

» The holy passion of friendship is of so sweet and steady and loyal and enduring a nature that it will last through a whole lifetime if not asked to lend money.

» Why is it that we rejoice at a birth and grieve at a funeral? It is because we are not the person involved.

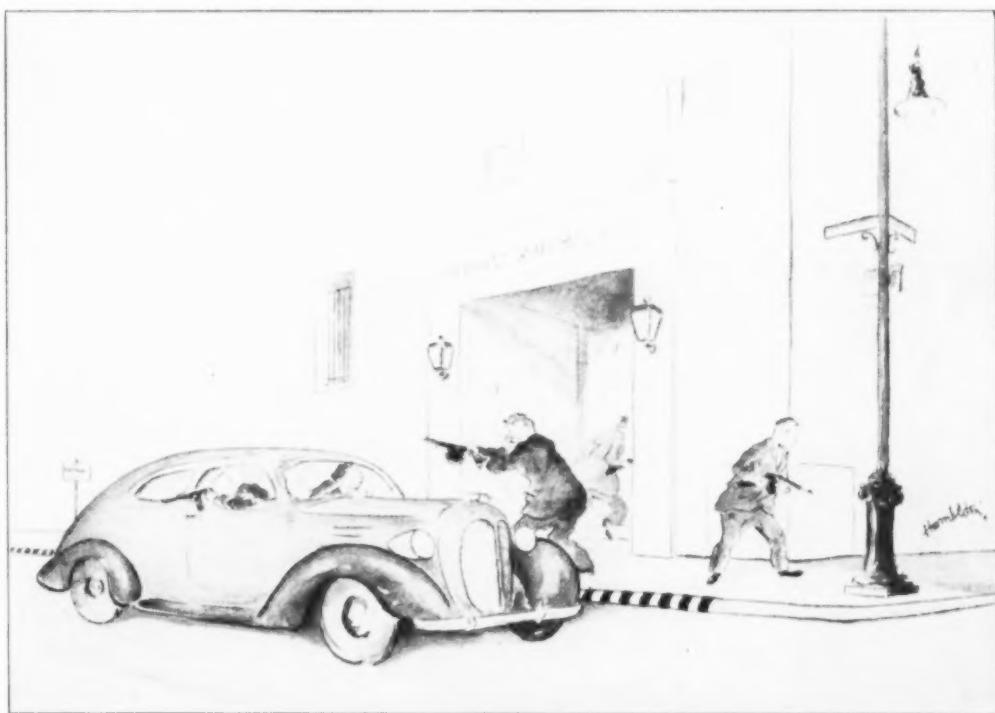
» Thanksgiving Day! Let us give humble, hearty and sincere thanks now, all but the turkey. In the Island of Fiji they do not use turkeys. They use plumbers. It does not become you and me to sneer at Fiji.

» Few things are harder to put up with than the annoyance of a good example.

» Even the closest and most perfect circumstantial evidence is likely to be at fault . . . take the case of any pencil, sharpened by any woman. If you have witnesses you will find that she did it with a knife but if you take simply the aspects of the pencil, you will say she did it with her teeth.

» He is useless on the top of the ground. He ought to be under it, inspiring the cabbages.

» October 12—the Discovery! It was wonderful to find America but it would have been even more wonderful to miss it.



"Hey, youse can't park here! Wanna get us all pinched!"



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FEDERAL SECTION

FEDERAL CREDIT union charter No. 2000 duly made its appearance on February 8, when the application of a group of employees of the Nash-Kelvinator Corporation in Detroit was approved. Just a few days more than a year had gone by since charter No. 1000 had been assigned to a public utility group in Nevada.

The charter granted to the Detroit group was one of two that went to the employees of this company, the other being approved on the same day for a credit union in the company's Grand Rapids plant. Before the management gave its assent to the setting up of these credit unions, it circularized the employees with a questionnaire which brought hundreds of replies, approving the credit union overwhelmingly.

Occupations

If we could follow all credit union charters into the midst of the groups to which they have been granted what an array of novel and interesting occupations might be uncovered! The February list of 61 new Federal charters has its full quota of these out-of-the-beaten-path pursuits.

The trail, for example, might lead us first into a building in Chicago where all the workers were busy with the problems of improving governmental practices. The name of the credit union just formed there can not be called revealing—it is the N. G. O. Federal Credit Union. But it becomes more intelligible when the initials are found to stand for "National Governmental Organizations" and when it is further explained that these are fifteen separate bodies, each dealing with certain phases of local or state government administration. The oldest is the American Society of Municipal Engineers, which has been functioning since 1894, and the newest is the American Society of Planning Officials, scarcely more than two years old.

In Hawaii the first plantation credit union makes its bow. It is the Ewa Federal Credit Union, set up to give financial aid to about 1800 employees of the Ewa Plantation (sugar) on the Island

of Oahu. From its sunny fields to the cloistered corridors of the National Archives Building in Washington, D. C., is a long jump, literally and metaphorically, yet not so long that it carries beyond the field of human needs which can be well served by the device of the credit union. Federal workers who spend their days in exploring the documentary history of the nation and taking care of its priceless records have much the same money problems as the straw-hatted, brown-skinned field workers in the Tropics and are solving them in the same way by forming a credit union.

Would not anyone's attention be caught by the name "The Bureau of Educational Experiments"? A Federal charter was issued in February to staff members of an institution with that name in New York, the field of membership also including members of the staffs of affiliated schools. It is an endowed organization of many years standing which promotes experimental projects in teaching, as well as research in teaching methods, and has eight or nine small schools in the metropolitan area of New York affiliated with it. It also helps maintain a cooperative school for student teachers.

New York Teachers

The Credit Union Section is cooperating wholeheartedly in the project of the New York State Teachers Association to bring credit union service, as nearly as possible, within the reach of all teachers in the state. Write-ups and general credit union data have been supplied to the Association, and staff members of the Section have been working closely with a credit union sub-committee of the Executive Committee to shape out a proposed program to present the plan to sectional groups throughout the state.

As a result of this interest the Executive Committee on February 13 adopted a report whose concluding paragraph reads as follows:

"This committee, therefore, reports that the New York State Teachers Association should heartily endorse the organization of credit unions for the teach-

ers of the State of New York; and that it should immediately take steps to lend its full support to the accomplishment of this purpose in accordance with the program advanced in this report; and that it should work in close harmony with the Credit Union Section of the Farm Credit Administration and the State Banking Department, taking full advantage of their services whenever possible."

Questions and Figures

What is the average size of the loans made by Federal credit unions? As of September 30, 1936, it was \$64, on the basis of 1457 credit unions reporting.

What proportion of Federal credit union share balances are represented by loans to members? Approximately 85 percent on September 30. On the preceding December 31 it was 82 percent, and the proportion tends to rise slightly with each succeeding quarter.

What is the average membership of Federal credit unions, and what is the average share balance per credit union? On September 30, 1936, the above number of credit unions reported an average membership of 173 and average shareholdings of \$4,426.

These figures are interesting, but perhaps more interesting is the fact that such data, along with two whole pages of other figures on Federal credit union condition and operation, will now be available at the beginning of each month. Copies of these tables bringing Federal credit union figures as nearly up-to-date as possible each month, will be available to inquirers through the Credit Union Section.

Figures in these tables are based on quarterly returns from Federal credit unions and are the result of the earliest compilations of such returns that can conveniently be made. They include figures from the great majority of Federal credit unions in active operation at the end of the quarter reported upon. Year-end statistics for 1936 will appear in the April 1 release.

Federal Jottings

In the last week of February and the first week in March a general round-up of staff members of the Credit Union Section, including representatives outside of Washington, was held in Washington for the purpose of discussing a number of administrative problems. The dominant note of the conference was the emphasis placed on the desirability of helping Federal credit unions to function as efficiently as possible in their respective fields.

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The credit unions do all this and yet are not willing to help pay the bill and help other people not quite so fortunate. Is it fair—you're darn right it's not!

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FEDERAL SECTION

FEDERAL CREDIT union charter No. 2000 duly made its appearance on February 8, when the application of a group of employees of the Nash-Kelvinator Corporation in Detroit was approved. Just a few days more than a year had gone by since charter No. 1000 had been assigned to a public utility group in Nevada.

The charter granted to the Detroit group was one of two that went to the employees of this company, the other being approved on the same day for a credit union in the company's Grand Rapids plant. Before the management gave its assent to the setting up of these credit unions it circularized the employees with a questionnaire which brought hundreds of replies, approving the credit union overwhelmingly.

Occupations

If we could follow all credit union charters into the midst of the groups to which they have been granted what an array of novel and interesting occupations might be uncovered! The February list of 61 new Federal charters has its full quota of these out-of-the-beaten-path pursuits.

The trail, for example, might lead us first into a building in Chicago where all the workers were busy with the problems of improving governmental practices. The name of the credit union just formed there can not be called revealing—it is the N. G. O. Federal Credit Union. But it becomes more intelligible when the initials are found to stand for "National Governmental Organizations" and when it is further explained that these are fifteen separate bodies, each dealing with certain phases of local or state government administration. The oldest is the American Society of Municipal Engineers, which has been functioning since 1894, and the newest is the American Society of Planning Officials, scarcely more than two years old.

In Hawaii the first plantation credit union makes its bow. It is the Ewa Federal Credit Union, set up to give financial aid to about 1800 employees of the Ewa Plantation (sugar) on the Island

of Oahu. From its sunny fields to the cloistered corridors of the National Archives Building in Washington, D. C., is a long jump, literally and metaphorically, yet not so long that it carries beyond the field of human needs which can be well served by the device of the credit union. Federal workers who spend their days in exploring the documentary history of the nation and taking care of its priceless records have much the same money problems as the straw-hatted, brown-skinned field workers in the Tropics and are solving them in the same way by forming a credit union.

Would not anyone's attention be caught by the name "The Bureau of Educational Experiments?" A Federal charter was issued in February to staff members of an institution with that name in New York, the field of membership also including members of the staffs of affiliated schools. It is an endowed organization of many years standing which promotes experimental projects in teaching, as well as research in teaching methods, and has eight or nine small schools in the metropolitan area of New York affiliated with it. It also helps maintain a cooperative school for student teachers.

New York Teachers

The Credit Union Section is cooperating wholeheartedly in the project of the New York State Teachers Association to bring credit union service, as nearly as possible, within the reach of all teachers in the state. Write-ups and general credit union data have been supplied to the Association, and staff members of the Section have been working closely with a credit union sub-committee of the Executive Committee to shape out a proposed program to present the plan to sectional groups throughout the state.

As a result of this interest the Executive Committee on February 13 adopted a report whose concluding paragraph reads as follows:

"This committee, therefore, reports that the New York State Teachers Association should heartily endorse the organization of credit unions for the teach-

ers of the State of New York; and that it should immediately take steps to lend its full support to the accomplishment of this purpose in accordance with the program advanced in this report; and that it should work in close harmony with the Credit Union Section of the Farm Credit Administration and the State Banking Department, taking full advantage of their services whenever possible."

Questions and Figures

What is the average size of the loans made by Federal credit unions? As of September 30, 1936, it was \$64, on the basis of 1457 credit unions reporting.

What proportion of Federal credit union share balances are represented by loans to members? Approximately 85 percent on September 30. On the preceding December 31 it was 82 percent, and the proportion tends to rise slightly with each succeeding quarter.

What is the average membership of Federal credit unions, and what is the average share balance per credit union? On September 30, 1936, the above number of credit unions reported an average membership of 173 and average shareholdings of \$4,426.

These figures are interesting, but perhaps more interesting is the fact that such data, along with two whole pages of other figures on Federal credit union condition and operation, will now be available at the beginning of each month. Copies of these tables bringing Federal credit union figures as nearly up-to-date as possible each month, will be available to inquirers through the Credit Union Section.

Figures in these tables are based on quarterly returns from Federal credit unions and are the result of the earliest compilations of such returns that can conveniently be made. They include figures from the great majority of Federal credit unions in active operation at the end of the quarter reported upon. Year-end statistics for 1936 will appear in the April 1 release.

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GUS—STILL GABBY

February 10, 1937

Editor of the BRIDGE
CUNA

Madison, Wisconsin

Dear Mr. Editor:

You know I met you recently at one of our meetings, but did not tell you I was the one and only Gabby Gus. You may not remember me—that's all right, you're a busy guy and so am I.

This is sort of a letter to give CUNA a little thanks. Seems as though we got off to a bad start here a few years ago; I mean our League, and have just been piddlin' along ever since. Just going along with nobody knowing what it was all about. Now, of course, we had good intentions, but no money to get them working for us.

That's where we made our big mistake. None of these guys could see why they should pay dues or even have a League. They were content to loll back in their chairs and absorb the services their credit union was giving them every day. Now they're good guys, but wouldn't listen with an open mind, until one day we had a tax slapped on us. Boy, did that wake them up! But, you know, at that there are still a few of them who are willing to accept the benefits and not

pay their way. Darn their hides, they shouldn't have a credit union. They can ride along on a pass if they want to—we'll pay our way and sit on a soft seat.

We have folks in our credit union that never saved a cent before who are doing it now. There are many that are living a happy life because we helped them through sickness and out of the hands of a loan shark.

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SCHULTZE - DELITZSCH

By ROY F. BERGENGREN

Highlights in the early development of Cooperative Credit

WHY do we call the building which houses the national center of the credit union movement at Madison, Wisconsin, Raiffeisen House? For the same reason that the Capitol of the U. S. A. is called Washington and one of our states is named Washington and almost every city and town has a Washington Street!

We do it to immortalize in our modest way the German to whom we owe our conception of cooperative credit.

A year ago in the March issue we reminded BRIDGE readers that March is Raiffeisen month; he was born on March 30, 1810, and this month we celebrate his one hundred and twenty-seventh birthday. Shortly after that article appeared our attention was called by one of our readers to another great leader in the cooperative banking field who lived at about the same time, Herman Schulze, who was born August 29, 1808, and died in 1883. It was during the period from 1808 to 1888, this span of eighty years, that the credit union movement was born and perfected and these two men, Raiffeisen and Schulze, not only put in the foundation but they made sufficient progress so that the subsequent spread of cooperative credit throughout the world was assured at their death and had, in fact, already begun. We believe, however, that it is to Raiffeisen that we owe the greater debt. The Schulze-Delitzsch banks were larger; they did more of the things that banks do and, by the same token, they taught us many of the things to avoid in cooperative banking.

Material From President Clarke

Recently Claude E. Clarke, President of CUNA, sent us material which he had carefully compiled from the two most important books on this subject, Henry T. Wolff's book—People's Banks—published in England in 1893, and Rural Credits by Myron T. Herrick, published in this country in 1914. The following is gleaned from this extremely valuable material forwarded by Mr. Clarke.

Birth and Early Life

Herman Schulze was born August 29, 1808, at Delitzsch, a small town in Prussian Saxony. Incidentally he subsequently added the name of the town of his birth to his given name in order to distinguish himself more clearly from the great number of Herman Schulzes, then

as now to be found in almost every German town. His father was a judge and he was carefully educated, first in the University at Leipzig, then through the Law School at the University at Halle, and admitted to the bar at twenty-two years of age. He served in the Chamber of Justice, interested himself unduly in social and economic freedom, was elected to the National Assembly in 1848, indicted for treason, acquitted and became a popular hero.

Meantime, during the depression of 1846 to 1857 he had organized first a relief committee to collect funds with which he rented a mill for grinding flour and a bakery for making it into bread for distribution to the needy at low cost. He also at about the same time organized an insurance society, an association of carpenters and shoemakers and a food supply association.

First Society

His first credit society was organized at Eilenberg in 1850. In 1851 he resigned from the judiciary service and returned to Delitzsch to live. By 1852 the Eilenberg society had 586 members and had made 717 loans of an average of \$142 each. In 1852 he reorganized the society entirely on the basis of self help and other similar societies were organized. As early as 1859 they had their first central meeting—at Weimar—and organized the first national association

of credit unions, known as the General Federation. Schulze was elected President of it on a salary of 2% of the net earnings of all of the societies and from 1860 until the time of his death he devoted all of his time to the work of the national association. In 1862 he drafted a bill to provide for the operation of people's banks and other cooperative societies which became the first German cooperative law in 1867. About this time the University of Heidelberg, recognizing the great importance of the work that Schulze-Delitzsch was carrying on for the common good, awarded him the honorary degree of Doctor of Laws.

He died in Potsdam in 1883 at which time there were 1910 of his societies in active operation in Germany with 466,575 members. Monuments were raised to his memory in his native village and in Berlin.

Accomplishments

This is an interesting point to note that in thirty-three years Schulze-Delitzsch built into the economic life of Germany the foundation for his phase of the cooperative credit movement, leaving as his splendid monument nearly 2000 societies with approximately a half million members. Our work in the United States does not suffer by comparison; sixteen years after the organization of the Credit Union National Extension Bureau and in the third year of the Credit Union National Association we have 5800 societies with over a million members, 42 state laws and a complete federal law. There has been some book writing recently, inspired by high rate money lenders, to the effect that the credit unions cannot spread sufficiently in the end to solve the short term credit problem of the masses of the people. The history of cooperative credit in every



"Ma's gettin' tired of pullin'—she says she'd rather fix the flat!"

country, where time enough from the beginnings has elapsed to permit the credit union movement to come to full maturity, all prove the contrary of this assumption.

It is not an over estimate to assume that there will be eventually a hundred thousand credit unions in the United States.

It is interesting that Bismarck, the dictator of his day, had the same attitude towards cooperative credit that has been assumed towards all form of cooperative effort by Hitler in Germany and by Mussolini in Italy. *There is no place for cooperative credit effort in the Fascist state; that is a lesson which we should all master and never forget.*

Raiffeisen

Schulze-Delitzsch worked among laborers and trade people in villages and cities and his cooperative banks were primarily urban in character.

Our credit unions have been more influenced by Raiffeisen. It was to the Raiffeisen type of cooperative credit union that DesJardins turned for his early study and he incorporated in his "la caisse populaire" (the designation given by DesJardins to his credit unions in the Province of Quebec) the Raiffeisen principles. As the operating practices adopted by DesJardins were largely incorporated into the Massachusetts credit union law of 1909 and became the established procedure for credit unions everywhere in the United States we cannot find in the banks as perfected by Schulze-Delitzsch much of real value. It is interesting to note, however, some of the differences between his type of credit union and that with which we are familiar.

A share in a Schulze-Delitzsch had a value of from \$75 to \$125, payable however in installments as small as 12 to 25 cents per week. All members held themselves liable for any obligation incurred by the bank. Three months notice of withdrawal was necessary and each member was limited to a single share as Schulze-Delitzsch shared with Raiffeisen the fear that his banks might fall into the hands of capitalists. He believed in large dividends, quite contrary to the Raiffeisen conception which stressed service to the borrower and discouraged high dividends.

Dividends

In this connection (and having our recent American experience in mind) this quotation from Herrick's book is interesting: "Large dividends are objectionable and dangerous from the cooperative point of view. They come mostly from the borrowing members and add to their burdens thus creating a conflict of interests within the bank. Hence many writers contend that dividends should not exceed the rate at which money may be procured in the open market." Schulze-Delitzsch banks did a complete banking business and most of them grew eventually to banking proportions. His banks had no interest in the purpose of credit, operating like commercial banks with

thought only to the security offered. By 1892 the average Schulze-Delitzsch bank had holdings of \$350,000.

These organizations had certain well defined defects, most of which Raiffeisen foresaw and avoided. They were not genuinely cooperative; they taxed the consumer in order to hand over excessive dividends to the lender; they paid excessive dividends. Father de Besse said of these banks: "The early cooperators were inconsistent because they attempted to fight usury by practicing it." These banks did not sufficiently stimulate small savings; they paid no attention to the purpose of credit which we have found to be of paramount importance. Poor people could not join because of the large par value of shares and the banks were soon primarily organizations of traders and business men; there was no common interest within the membership, officers were allowed commissions on business done and forgot what the banks were for in their eagerness to make money out of them.

The result of these bad practices should be given very serious thought by every credit union manager as we give serious heed to the lessons which we should have learned from this experience with cooperative credit unions which violated the basic rules of cooperative effort. Between 1875 and 1886, 36 Schulze-Delitzsch banks were declared bankrupt and 174 liquidated. In 1892 there were 9 bankruptcies and 24 liquidations. 10% of all of these banks failed and in some cities where the banks were very large there were resulting money panics and very serious consequences.

Causes of Failure

The causes of these failures may be clearly traced to (1) lack of group organization; (2) lack of scrutiny of the purpose of credit as the essential element; (3) lack of systematic saving by members of small resources; (4) too high dividends; (5) too high loan interest rates; (6) the payment of commissions to managers with resulting greed and carelessness and the substitution of self interest for interest in the welfare of the credit union.

Schulze-Delitzsch made a profound contribution to the development of cooperative credit but it is from the experience of the good Father Raiffeisen that has come to us the right lessons in cooperative credit and the procedure which makes for permanent success of the credit union movement.

First Prize to Cedar Falls

WE OFFERED for the first time last month a prize of five dollars for the best "human interest story." Here it goes—to C. H. Buhmeyer, Treasurer of the Cedar Falls Credit Union of Cedar Falls, Iowa.

"A man and his wife got a loan of \$50 from a small loans company here in town on January 21, 1931. The husband hardly made enough money to pay his gro-

LOST



Just You Tell Me

HERE'S a teaser! This little girl got separated from the letter in which she came riding into Raiffeisen House to see us. She had been to the credit union and had her book with her to prove it. She's proud of the fact that she is a credit union member—that's obvious, and we certainly were happy to welcome her to Raiffeisen House. And we'll bet that either she or her father or mother will find her here in the pages of the BRIDGE and that by next issue we shall be able to introduce her properly.

ceries. The wife took in washing and they were only able to pay from time to time the interest or a bit on account and the loan ran until December 2, 1935. She then came to me and the Credit Committee looked into the case. She owed \$44.84, having paid off on the principal in five years \$17.84. She had paid in interest \$61.51 and at the rate she was going the chances of her living long enough to pay up the loan were not very good. On December 24, 1936, she had repaid her loan to us and she is now putting money steadily in the credit union, all of the money she is taking in through her washing."

Incidentally this doesn't really figure out such a tough rate as loan shark rates go. As I figure it she paid about \$75 interest on a \$50 loan over a five year period or \$15 a year in round figures—or 30% straight interest. I recall a case which involved a man who borrowed \$30, paid back \$1080 in interest and paid nearly 3400% interest for the period of the loan. Loan interest generally depends on "the greed of the lender and the need of the borrower." The offer still holds good! Mr. Buhmeyer's case is a challenge! Send in a worse one and we give a prize of \$5.00 a month to the most interesting human interest story received.

Interest Rates

(Continued from page 9)

the insurance almost invariably increases the number and amount of loans in a credit union and its adoption results in putting all of the credit union funds at work. An increase of only 10 percent in the amount of loans brings in enough interest to pay for the insurance. It adds to the peace of mind not only of the person who borrows but also of his family and of his co-signers who are generally members of the credit union. And then this insurance, under the plan which was put in effect about a year ago, sets up a protection against one contingency which is really appalling and which usually finds us quite unprepared.

I speak of the situation which faces a member with that type of illness which requires prompt medical, surgical or hospital care and where there is only a reasonable chance to recover, even with all aid possible. How satisfying it must be to the members of a credit union which carries borrowers' protection on all loans, to be able to make this loan with the assurance that co-signers are taking no unusual risk and that neither survivors, co-signers, nor the credit union will be called on to pay the loan if death comes.

Suppose we do make use of borrowers' protection insurance in our credit union and we still feel able to reduce our interest rate to borrowers. How then shall we go about it? Shall we just decide on some rate of annual interest and then set up our tables to fit our plan for repayments on loans and the collection of interest or shall we set our rate after due consideration of the problems which face our treasurer?

I urge that we give the treasurer a break. A little study of the table given herewith will convince you that you can find a rate of return which will lessen his problem of computation and which will at the same time avoid the use of fractions almost entirely. The choice is not too great if you collect interest weekly or bi-weekly but even then, there is a choice.

HAWAII

(Continued from page 5)

the monotonous ceremonial drums and weird chants of pagan priests were echoed. Here are villages where the natives live somewhat as did their ancestors before the white man came, happy and carefree, gaining a livelihood by fishing with spears and nets.

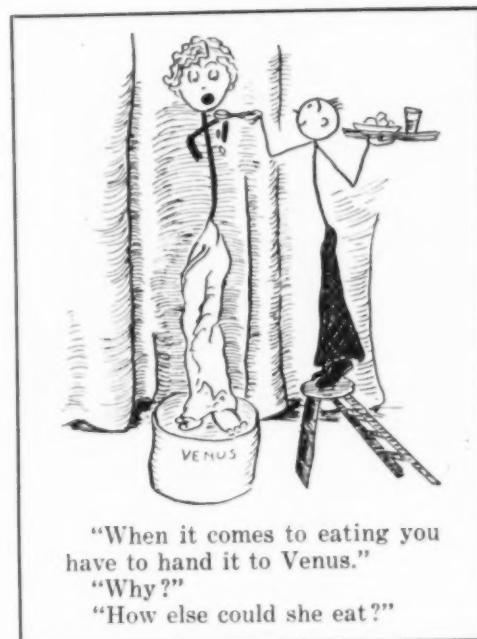
Stately Mauna Loa seems to overhang the coast and has poured its lava streams in great rivers down the mountainside. Tourist signs by the roadside give the dates of all the lava flows and since so many of them are within the lifetime of the traveler, a feeling of awe for the fire monster within the volcano comes over him.

This strip of coast is famous for its coffee as it produces all of the coffee grown on United States soil. And it is the home of the Kona Farmers' Credit Union, whose members are nearly all Japanese, but all American citizens and all Occidental in their agricultural methods.

The charm of the Big Island is enhanced by the fact that it seems more native than the other Islands as only a small portion of its 76,000 residents are white. Although all of the people here are very proud of being American citizens, there is still the fascination of being among a people whose graceful and easy manner of living reflects the culture and background of another race and a civilization different from our own.

Hospitality

Maui—The Valley Island, in size the second Island of the group, is noted for its real Hawaiian hospitality. Its population of 50,000 people is very small in comparison to its size and this fact accents the "unspoiled" atmosphere of the Island. It is named for the demi-god Maui, of Hawaiian mythology, and to fully enjoy visiting this Island, one should hear from native lips the thrilling ancient legends of warfare and worship connected with every mountain peak and valley.



"When it comes to eating you have to hand it to Venus."

"Why?"

"How else could she eat?"

On this Island is Haleakala (House Built By The Sun) which is the largest inactive volcano crater in the world. Its unique, desolate, dead, magnificence dominates Maui and makes it a land of inexpressible fascination. All travelers are urged to see the sunrise from this crater, as it is a scene so indescribably lovely that it seems unreal. Here the night air is so frosty and cold that the group of travelers huddle over a kerosene stove in the mountain house to keep warm until the sun rises. Dawn comes quickly in the tropics and even more quickly on the mountain top. Suddenly, the stars disappear and light is reflected from clouds that were invisible a moment before. Shapes in the distance resolve themselves into the outlines of three other Islands, with the three dome-like mountains of Hawaii showing clearly. Then suddenly the spectators are standing in the golden light above the clouds, with the dark mountains of west Maui still sleeping far below. Gradually as the sun comes up over the horizon, one can pick out the forests, the fields and the villages and the sea becomes blue instead of black.

Kauai—The Garden Isle, was the first of the Hawaiian Islands to rise above the surface of the sea, the first to be discovered by Captain Cook and the first to grow sugar cane, the most important crop. Being the oldest geographically, the mountains have been worn down to rounded contours and the soil has become deep and fertile. Abundant rains and sunshine have produced an amazing profusion of floral growth, so that the name "Garden Isle" is very appropriate.

Molokai, Lanai, Kahoolawe and Niihau are the little sisters in point of size. Of these, Molokai is the most important, since it is the largest and is very active in pineapple production.

Much has been written and much will be written about America's cluster of mid-Pacific Islands, but it is necessary for one to visit it in order to appreciate its charm. It has been a pleasurable task to bring credit unions to the group.

INTEREST PER \$100.00

Annual Rate	Monthly	Semi-Monthly	Bi-Weekly	Weekly
12%	1.00	.50	.46 ² / ₁₃	.23 ¹ / ₁₃
11%	.91 ² / ₃	.45 ⁵ / ₆	.42 ⁴ / ₁₃	.21 ² / ₁₃
10.8%	.90	.45	.41 ⁷ / ₁₃	.20 ¹⁰ / ₁₃
10.4%	.86 ² / ₃	.43 ¹ / ₃	.40	.20
10%	.83 ¹ / ₃	.41 ² / ₃	.38 ⁶ / ₁₃	.19 ³ / ₁₃
9.6%	.80	.40	.36 ¹² / ₁₃	.18 ⁶ / ₁₃
9%	.75	.37 ¹ / ₂	.34 ⁸ / ₁₃	.17 ⁴ / ₁₃
8.4%	.70	.35	.32 ¹ / ₁₃	.16 ² / ₁₃
8%	.66 ² / ₃	.33 ¹ / ₃	.30 ¹⁰ / ₁₃	.15 ⁵ / ₁₃
7.8%	.65	.32 ¹ / ₂	.30	.15

President of the California League

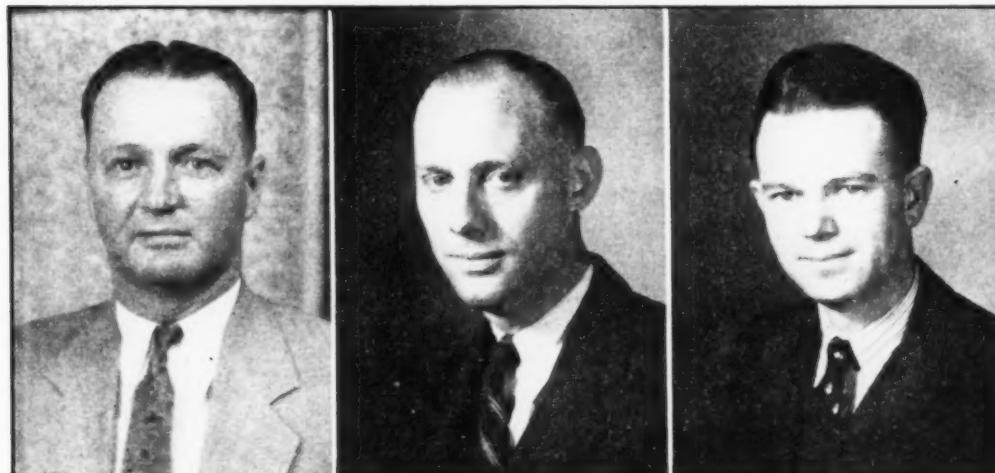
JUST IN TIME for this issue we have a picture of Clifford Moore of Los Angeles, California, president-elect of the California Credit Union League. The League Convention was held at the Hotel Rosslyn, Los Angeles, on February 20, 21 and 22. All of the reports of the meetings are most enthusiastic and we are waiting impatiently for Tom Doig to get back to Madison with the details. According to all the letters Tom did a fine job as usual.

The souvenir program contains a picture of Mr. Filene and also a picture of Harry G. Denton, who retires from the Presidency to become Chairman of the Board of Directors. The Coordinating Convention Committee consisted of M. F. Sholes, Chairman, C. W. Weiser (who made a fine address at the meeting which we have elsewhere in this issue) and J. D. Farnan.

The program was crowded from the League breakfast on the opening day until the Benefit Dance on the evening of the 22nd. It is most interesting to note the entertainment available for meetings within our own group. At the League breakfast the entertainment was contributed by the Farmers Auto Insurance Federal Credit Union. At the Federal



Luncheon the Orange County Teachers Credit Union supplied a chorus while a fine entertainment was supplied at the CUNA dinner by the Long Beach Chapter of the League and particularly by the Long Beach Teachers Quartet. I would like right well to have been at the "Doig Luncheon."



F. L. Andrew

H. W. Pepper

A. E. Jackson

And In FLORIDA

THE ANNUAL meetings this year were packed with the history of accomplishment and crowded with interesting discussions and rich in very positive achievement. It was my very great pleasure and privilege to be on hand at equally fine meetings in Texas, Georgia (a mass meeting, not the annual meeting which comes in June), in Florida, and in Indiana with much equally interesting visiting about in other states.

I have just received from A. E. Jackson an account of the Florida meeting and some very welcome pictures. Mr. Jackson is Secretary-Treasurer of the League, Mr. H. W. Pepper is the President, and Mr. F. L. Andrew, the retiring President.

The meetings were held at the Mayflower Hotel and were extremely well attended. At the evening meeting Stanley Barchan acted as Toastmaster and introduced Mayor John T. Also, Jr., and other speakers. The broadcast—entitled "Today and Tomorrow," was over radio station WJAX and was electrically transcribed for future broadcasts. George Gross was overwhelmingly reelected Managing Director and National Director. Representatives were present from Miami, Daytona Beach, Orlando, Pensacola, Bay Pines and Jacksonville.

It was a great pleasure to greet retiring President Andrews with whom we have been so long in contact and who also has done so much for the credit union movement in Florida. I have never met a more eagerly interested Board of Directors.

3 Big Hits

from

Twentieth Century-Fox

NOW THRILLING THEATER-GOERS EVERYWHERE!

Victor McLaglen
Walter Connolly
Peter Lorre

in

"Nancy Steele Is Missing"

with
June Lang

Directed by George Marshall

"Time Out For Romance"

with

Claire Trevor Michael Whalen

Directed by Mal St. Clair

Simone Simon
and
James Stewart

in

"Seventh Heaven"

with
Jean Hersholt

Directed by Henry King



DARRYL F. ZANUCK

In Charge of Production

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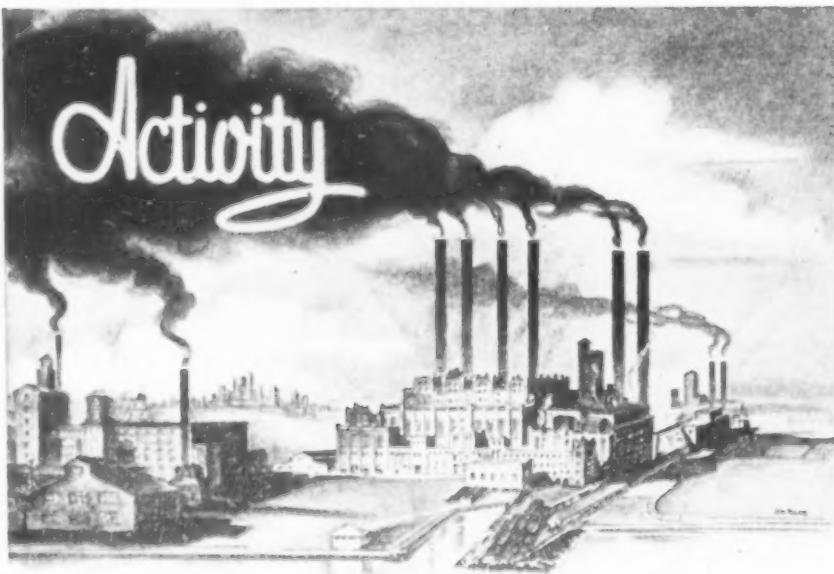
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BETWEEN PAY-DAY JITTERS

By RICHARD FOX

IT WAS A gloomy day that I called on Bill Jones. That was not my reaction to a moderately warm, clear February afternoon, but to hear Bill bemoan his financial fate, you could not dispute the fact. It was indeed a gloomy day.

To Bill, it was just another of those days somewhere in between pay dates, when the budget, bank roll or whatever you wish to call it, has been strained to the limit. Bill's monthly salary was moderately good but now he was "busted" and had a severe case of "between pay day jitters."

Bill was swamped with bills, an insurance premium rapidly approaching the end of the grace period, a couple of charge accounts in arrears, a doctor's bill of long standing, let alone the regular household bills ordinarily paid on the first of the month. Bill bemoaned his predicament in no uncertain terms.

He could have gone to "the boss" for an advance on his salary. The company for which he worked seemed quite liberal in this matter, but there was where the difficulty lay. Bill had done that very thing for the past two months. When he

had received his monthly pay check, he would repay his advance. The result, he was in the very same hole again the following month.

Bill had borrowed about twenty-five dollars against his salary shortly after his wife had made a raid on the family bank to finance her Christmas shopping. Bill naturally claimed no responsibility in this matter, nor for a similar raid made to cover New Year's celebrations. I did not seek Mrs. Smith's version on the subject, however. This had left Bill stranded ever since.

Bill vigorously complained that he would be able to pay off all those old bills and make his budget really work for him, if he could obtain a loan, spreading the amount over a period of months. He could then get out of the hole and be subject no longer to chronic financial difficulties.

When I left Bill he had almost convinced me that it was truly a gloomy day. BUT, and I outlined this to Bill; we had an EMPLOYEES CREDIT UNION at the office, conveniently located and always persistent on the merits of THRIFT and a balanced budget. Any employee may become a member, the requirements being that he pay a membership fee of 25 cents and at least 25 cents toward the purchase of shares. Shares are \$5.00 each and a member may withdraw his deposits at any time.

When our Credit Union was organized I purchased one full share and made arrangements to purchase at least one share every two months. I anticipated those "Between Pay Day Jitters" by applying for a loan through the Credit Committee. The loan was approved without fuss or bother. The only security needed was, that I was a member in good standing and that I was of good character. Loans up to \$50 are unsecured, although loans over that amount usually require a co-maker.

I paid my insurance premium, settled up with the Doctor and cleaned up the last installments on the refrigerator. Now that I was able to reduce my obligation on a small monthly payment basis, I was ready to get my budget in working order. Boy, oh boy, what a relief it is to be rid of those "Between Pay Day Jitters" and those embarrassing moments when asking for an advance on the salary every month. Best of all the Budget does work and is saving us money.

I would like to suggest to all "Bill Smiths" that they join their credit union. A bank is organized right under your elbow. A bank, yes, and more, one which will pay dividends to you on your deposits on shares derived from the interest charged on the loans made to members, including yourself perhaps. The credit union is there for you, to help you solve your every day financial problems. All that is required is that, as a member, you give your cooperation and support.

SPOT NEWS



OF THE MONTH

HERE IS a lovely line in The Book—"and a little child shall lead them" which checks so many times with ordinary human experience. Now we haven't been honoring each month some credit union member for unusual services rendered. I am at a loss as to this as we had no intention of discontinuing this rather happy device of giving "honor where honor is due." So we renew the plan with the second volume and we intend to continue it resolutely from now on.

This month we honor Ruth Schroeder. She is the daughter of Larry G. Schroeder of Cincinnati and they both belong to the Baldwin Employees Credit Union. This credit union gave us a 100% subscription and this is the way of it.

Ruth had an account in the credit union; come Christmas she went to the Treasurer to inquire as to how she should go about borrowing against her account for security to supplement her Christmas shopping funds. The Treasurer had been trying to get this notion across to his members—of borrowing, rather than withdrawing—and so he asked her—"how come you are not withdrawing your money instead?"

"Why," Ruth answered, "I read the BRIDGE and I'm just doing what the BRIDGE advises!"

That made a great impression on the Treasurer and he talked it over with the Board and they decided there must be something in it and subscribed 100%!

When I Am Dead

By JOSEPH DERAMUS

When I am dead
And in my bed,
Secure in the cold, dark sod,
Just say a prayer,
As you lay me there,
And leave the rest to God.

O, do not weep
When I shall sleep
And peaceful refuge find;
O, do not grieve
When I shall leave
This old, proud world behind.

For I shall fly
Through perfumed sky
Entranced with loveliness,
And I shall be
So glad and free,
Like a bird in the wilderness.

I'll know the sun
And every one
Of the tiny stars that shine,
And the moon shall be,
A pal to me,
And her secrets shall be mine.

And I shall gaze
Through mist and haze
Upon the world I knew,
I'll see your strife
For a futile life,
And how I'll pity you!

So when I'm dead
And in my bed,
Secure in the cold, dark sod,
Just say a prayer
As you lay me there,
And leave the rest to God.

An Extract

From a recent "Six Minute Talk" delivered by Founder Edward A. Filene at the all New England Conference dinner

Friends and Fellow-Workers:

I have heard the Credit Union movement described as a system by which little groups pool their savings, and make emergency loans to their members.

There are still some Credit Unionists, perhaps, who would be satisfied with such a definition; but it is sadly inadequate.

In the first place, Credit Unionism is more than a system. In the second place, we have passed the period of mere little-group organization and have learned to use the power for our common good which comes from state-wide organization and nation-wide organization. Next, because we are Credit Unionists, we are pooling much more than our savings. And finally, because we have learned to help one another in emergencies, we are learning how we can be helpful to one another in greater and ever greater ways.

Lights Over Austin

W. E. LONG, Manager of the Chamber of Commerce of Austin, Texas, through W. J. Edmonston, Secretary of the Texas Credit Union League, has very kindly allowed us to make use of this interesting picture of one of the typical "high lights of Austin" which greatly aroused my interest on a recent visit to the Capitol of the Lone Star State. I had never seen lights like them before.

Whether you come into Austin by day or by night they are most conspicuous. There are thirty wrought iron towers like the one shown herewith in the city, each 150 feet high. The guaranty of the company installing the lights was that "the light from the six lamps on each tower would be sufficient to see the time with an ordinary watch on the darkest night within a circle of 3000 feet in diameter, the tower being the center of such a circle and in the event of a failure to fulfill such guaranty, the towers would be removed without any payment by the city."

The work was begun in June of 1894 and at the close of the year 31 towers had been erected. A release by the Austin Chamber of Commerce notes: "For 38 years natives and visitors of Austin have lived in artificial moonlight, furnished by 31 towers 150 feet high, holding aloft six lamps of from 1200 to 2000 candle power. Youngsters born under them have grown up and become fathers, simply accepting the lights as they have the moon and the sun."

These lights are so interesting and unusual that they immediately attract the attention of the visitor to Austin. They add to the unusual attractiveness of this historical city.



MARCH MOVIES

by
AL LOWE



Just girls—but what girls! On the Twentieth-Century Fox lot

Tyrone Power, right, listens to Jan Rubini playing a selection from the new film 'Cafe Metropole'. The lady? How could anyone overlook the lady! Loretta Young, of course!



Coming Up

WITH 90 days of intensive shooting behind it and the likelihood of still another month of location work at sea, 20th Century—Fox's "Slave Ship" seems destined to create a new record for production schedules.

The picture, co-starring Wallace Beery and Warner Baxter in a rough and tumble tale of the slave trade, is one of the most ambitious vehicles on the studio's 1937 program of pictures.

The long schedule (Hollywood average is 28 days) was necessary to recreate (authentically) the epic infamy of slave-trading; the long, stormy journeys at sea, the dodging of patrol boats, the loading and unloading of slaves, and atmospheric shots of high seas in revolt.

"Slave Ship" combines drama and romance, with Elizabeth Allen playing the role of Baxter's wife on a journey that witnesses plague, mutiny, fire, desertion, and battle.

Orchids

Walter Winchell's little gesture of bestowing orchids as a token of congratulations has cost the 20th Century-Fox studio over three hundred dollars.

For a scene in the Walter Winchell-Ben Bernie musical, "Wake Up and Live," Winchell tosses an orchid to Alice Faye. Half of the more than seven dozen blooms stocked for the scene wilted before they could be photographed. A large percentage of the rest were of too delicate coloring to film properly. Some were bruised in handling, and the rest were used up in rehearsals and re-takes. A new flower had to be used in each "take" because of the handling and the piercing studio lights.

Chiro and Judo

Peter Lorre spent \$100 for a course of judo lessons—and so far he's already spent \$150 in chiropractic treatments to offset it.

In his current picture, "Think Fast, Mr. Moto," which introduces J. P. Marquand's colorful Japanese sleuth to the screen, Lorre has to throw a steward overboard from a ship and subdue several other assailants; and that's why the judo lessons were necessary.

Super-Bunny

Reputed to be the biggest rabbit in the United States, "Cactus," 25 pound Flemish Giant, has been placed under contract by 20th Century-Fox for a featured role in "She Had to Eat," a comedy featuring Jack Haley, Rochelle Hudson, Arthur Treacher, Walter Catlett, and Douglas Fowley.

"Cactus" was born on a San Fernando Valley rabbit farm and soon outgrew his fellows, who rarely top 13 or 14 pounds. His owner, Curley Twiford, kept him as a pet and has taught him a number of tricks.

Nelson Saves Lloyds

Some of us have a vague notion about Horatio Nelson and others of us have a vaguer notion about Lloyds of London. I doubt if many of us had ever connected the two.

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If you subscribed last year for a group (rate for three or more subscriptions fifty cents) please open this insert and make use of the inside for renewal.

Hundreds of credit unions are subscribing for their entire boards and committees.

A great many credit unions (ranging in size from 50 to 1,600) are subscribing 100% for their entire memberships.

The English Channel isn't a very large strip of water—twenty miles or so of generally turbulent seas (although six of the eight times I've crossed it it was calm as the proverbial mill pond), a much longer twenty miles however in the days of sailing ships and no air planes! While Napoleon was rampaging all over the Continent there were just two circumstances which protected England from invasion—the Channel and the fact that Britannia ruled the waves very thoroughly in person through Admiral Horatio Nelson who finally was killed in action at Trafalgar just as his fleet was closing with the French in the death struggle which terminated in the greatest English naval victory and ended all practical fear of invasion of England by Napoleon.

All this is beautifully told in the thrilling picture, "Lloyds of London." It tells also of the development of the great insurance syndicates which, together, constitute Lloyds. The story involves the boyhood friendship of Nelson for a neighboring lad who eventually moves up to London and grows up in Lloyds. Johnathan Blake, the friend of Nelson, subsequently takes extraordinary measures to prevent Nelson's fleet from being split and assigned partly to convoy duty; by heroic strategem he holds the fleet together until the final victory is won. There is a villain of course, a most villainous villain, and the parts are well acted. Primary interest in this picture is sustained, however, by the thrill of the times, the motion and commotion of life in England when Napoleon was threatening the world and conquering most of it. Personally (Mrs. Lowe and I took this picture in immediately on its arrival in Madison) the appeal of such a picture is to be found mostly in the stirring story and the amazing background. It is the attention to detail which makes the picture outstanding.

Freddy Bartholomew is not so good as the advance notices predict. It is the adult characters, the Blake of young manhood played by Tyrone Power, the head of the syndicates which constitute Lloyds, handled admirably by Sir Guy Standing, the lovely ladies who enter the life of the handsome young Blake—by

Five Dollars

Seems to us there ought to be a lot of things that could be done with five dollars—it might mean a new hat, or a gadget for the car, or something for the kids, or just that much more in the savings account. Apparently, though, there isn't one among all our 38,000 readers who has any use for a perfectly good check for five dollars, because this month we haven't received a single entry for our five dollar prize for the best movie review. Mrs. Lowe and I can't see *all* the movies; we count on a little help from our readers.

The next time you see a good movie, try sitting down and writing us a three to five hundred word review; just mail it in to Al Lowe, care of the BRIDGE. It may win the prize.

Madeleine Carroll and Virginia Field—and a swell villain (Ralph Sanders) who carry the picture through to a complete success.

I wonder if we are, individually, you and me, consciously aware of what we owe to those who spend their lives entertaining us. I recall, for example, the grace and the beauty and matchless charm of Marilyn Miller; many thousand people, hundreds of thousands I imagine, must, during the course of her extraordinary stage career, have found profound enjoyment in her art. How many of us enjoyed Will Rogers? I guess the answer would be—*all of us!* His acting, his humor, his homely philosophy made him a beloved public character whom we all shared and all enjoyed.

ON THE AVENUE—20th Century-Fox

On the Avenue is another of those shows which make us wonder why it is that producers insist on introducing, by force if necessary, some sort of plot into a musical show; it seems as if they might try, some time, the experiment of producing a pure review, with no shadow of a connected story.

However, *On the Avenue*'s plot, which deals with the stormy love-affair of an actor-playwright (Dick Powell) and the richest girl in the world (Madeleine Car-

roll) is so unimportant that it hardly interferes at all with the numerous and excellent scenes from the review around which it is built. It is mildly annoying, because it leaves one with a feeling that the hero should have married his star (Alice Faye), who is much more winsome and appealing than Miss Carroll, whose beauty is so flawless and patrician as to be practically frosty. After the superior song-plugging Miss Faye turns in, it seems as though she should be rewarded with something more substantial than the privilege of nobly sacrificing her lover to the richest girl in the world.

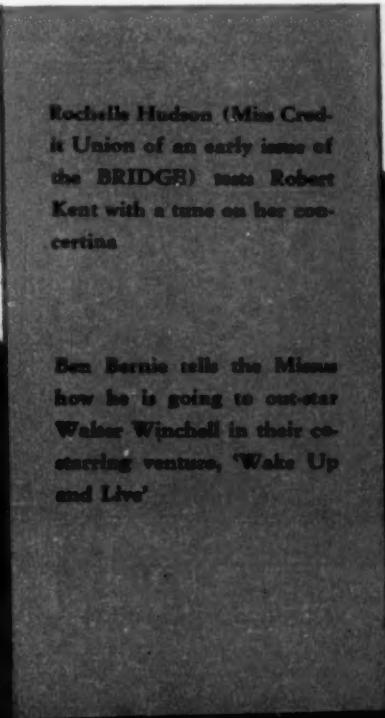
Alice Faye knows how to put them across, too—and Irving Berlin has given her some numbers that can be put across, notably *This Year's Crop of Kisses* and *Slumming on Park Avenue*. Dick Powell makes the most of a song which went over big with this reviewer, *The Girl on the Police Gazette*. Mr. Powell's singing quest, through a succession of scenes from the nineties, of "the lovely young blonde, on the pink Police Gazette" is featured by a first-rate barber-shop quartette and a good old-fashioned blackout. Not to mention Alice Faye's excellent rendition of *Slumming on Park Avenue*, which is immediately climaxed by the Ritz brothers, one of them attired in a duplicate of Miss Faye's scanty costume, giving us an even more excellent rendition of *Let's Go Smelling on Park Avenue*.

Which brings us to the Ritz brothers; I've been saving them. They contribute first-rate eccentric dancing, an unsurpassed repertoire of insane facial and bodily contortions, and a general impression of lunatic rhythm, which practically make the show. They just can't seem to take anything seriously, and their comedy is of that extremely subtle sort which seems anything but subtle. They have three or four choice spots on the program—among others an act in an observatory and a compressed rendition of a Cossack opera—and they make such good use of them that they manage to dominate the show.

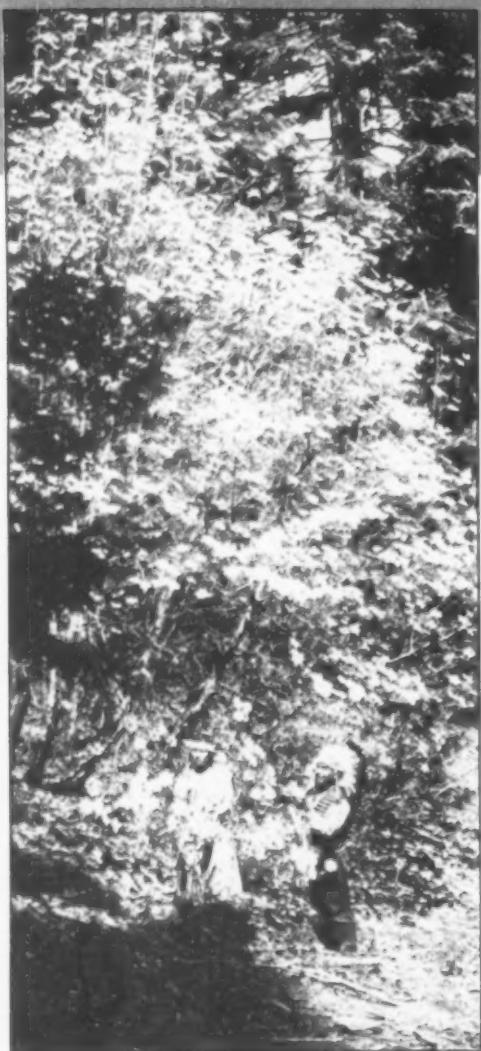
There's enough in it so that you're practically sure to find something you'll like, and quite possibly you'll like all of it. You can even take the kids.

Rochelle Hudson (Miss Credit Union of an early issue of the BRIDGE) meets Robert Kent with a tune on her co-certina

Ben Bernie tells the Misses how he is going to out-star Walker Winchell in their co-starring venture, "Wake Up and Live"



The KODAKER



Spring? Not Far Away!

LET'S GET ready for the Spring; The sun is shining so warm and so persistently in Madison that we all walk to lunch nowadays and Mother has put my Christmas seal-skin hat away against the remote coming of another winter. All the windows are open and, while the Lake is still all ice, yet around the edges water is peeking out and there is talk of the Wisconsin crew participating in the Poughkeepsie regatta. So—realizing from much experience with the coy way Spring has of coming for a peek and then disappearing in a blizzard of mid-winter ferocity we start with a lovely picture which Ted Huggins took showing a couple of Yosemite Indians picking dog wood blossoms in Yosemite Natural Park. Even if it is snowing like nobody's business when your March BRIDGE arrives—April is most here and April showers bring May flowers and then summer comes trooping along.

So we start—with the promise of the end of winter!

Yosemite Falls

Here we have one of the world's highest water falls. The upper falls drops 1600 feet, the middle cascade 600 feet and the lower falls 400 feet, a total of 2600 feet. Lucille Lauer of the Kemba Louisville Credit Union sent us this one. She took it last summer while on vacation in California and it proves just what we have just said about the scenic wonders of America.

But Not To Be Too Premature

We give you a canaller in the winter time (see Mr. Bishop's article elsewhere in this issue). When the canals freeze up and the locks must be operated in spite of Jack Frost and all his works the canaller puts on his old pea jacket like any other salt and goes out and wrestles with the weather. We include this one just so as to be in right if it is indeed snowing as the postman knocks to leave the BRIDGE.

At First I Thought It Was a Rabbit!

"Dear Publisher," (that made us feel good) "It seems to me that Iowa should



be represented once so I'm sending you a picture of my dog and some of our Iowa snow last winter. The dog's name is Pumpkin (I didn't name her) . . . I always enjoy the BRIDGE, especially the Kodakers' page. I am assistant treasurer of St. John's Parish Credit Union." The letter is from Mrs. Mark J. Schaefer of Waterloo and I had a dog once which looked enough like this one so that the picture made me homesick.

Let's Jump From Arizona to Sweden

Wot's a little jump from Arizona to Sweden for a Kodaker? Here's a picture of The Three Crowns Mills of the Swedish Cooperative Wholesale Society taken by Lewis Baldwin of St. Joseph, Missouri, on a trip abroad last summer.

In the Ozarks

Marcia Brawner of the Wolferman GTTE Credit Union of Kansas City, Missouri, sent us this quietly beautiful picture of the Ozark country of Missouri at Lake Taneycomo. In the United States we have everything, mountains and plains, ocean kissed shores and large and small lakes, deserts and fertile fields. We are getting better acquainted month by month with our own beautiful country through the Kodakers. By the way—I can imagine that you wonder what GTTE stands for! Back home in old New England when I was a boy Friday was dedicated to cooking and the big kitchen was no place for a mischievous boy, tempted 'most beyond endurance, however, by the wonderful smells of "Friday in the kitchen"; mince pies for the week (oh boy, but the making of mince pies is a lost art, I'm sure of it!), a batch of doughnuts such as no other woman in the world could make until my Mother taught my Wife how it is done; cake and pudding—Friday was a day! It was a GTTE day! For GTTE means "good things to eat" and that's what you get at the institution where Miss Brawner's credit union operates!

Lady and Cigar!

(Or should we say—Cigar and Lady!)

While it is no longer a novelty to see ladies from cradle age to old age smok-



SECTION

ing cigarettes this young lady from the Philippine Islands has something to show her sisters of the U. S. A. She not only smokes cigars—but what cigars! Did you notice its dimensions? That's a regular Sunday afternoon smoke if we ever saw one. Thanks, Mr. Jordan (of Washington, D. C.), for this and lots of other interesting Philippine pictures.

On the Way to Jeff City

Recently we went over to a State League Board meeting at Jefferson City, Missouri. Mr. and Mrs. Leach and Mr. and Mrs. Woeldke drove me over from St. Louis and we had a grand ride. When we got where we could see in the far away the dome of the Kentucky State Capitol we all got out for a stretch and I prevailed upon my hosts to let me have their pictures for the BRIDGE.

The Two Youngest Credit Union Members in Arizona!

We're growing a great crop of credit union members in Arizona. And speaking of "crops" who have we here but a couple of Croppers! The littlest feller is Virginia Cropper, aged two years, who is being given her first lesson in bicycle riding by her very old brother, J. E. Cropper, who has reached the advanced age of three! Mr. J. L. Bammerlin, Treasurer of the Phoenix Post Office Federal Credit Union, assures us that they are the two youngest credit union members in Arizona. It's grand—the way our credit union family is spread all over the map.

And Then—the NIGHT!

Most of us welcome the end of day; however well or however ill the day has gone, the end of it means relaxation from labor, the business of hurrying home, where the lights are twinkling in the front window and dinner is most ready on the kitchen stove. Mother is about ready to take off her apron and is rounding up the kids. She'll be there to greet you. The sun has gone to rest, symbolic of the end of day and the period of relaxation which you have so honestly earned. Perhaps this evening—you are thinking—as you drive home in the flier—we'll take in "Maid of Salem"; you came from near Salem and have been

waiting patiently for that one. Or perhaps you'll put that off a night and you and Ma will go over to Bill's for a bit of contract. You reach the bridge—the bridge at night, lovely span, connecting city and work on the one hand and rest and home on the other. And how beautiful indeed the bridge is at night. The lights make it a fairy bridge and it is a friendly bridge because it is the way connecting you with home. And so—a little prayer to the end of the day—a prayer that the day's work is done—a bit of thanks for home at the end of the fairy bridge.

What to Photograph

Judging from the variety of pictures submitted by our Kodakers, they have a very clear idea of what makes a good photograph, so probably this isn't really needed. But we read a very interesting little book the other day by a professional photographer, Frederick C. Davis, and we are submitting some of the things which he has discovered make interesting photographs in the hope that some of our 37,000 non-Kodakers will wake up and discover that they are surrounded by good snapshot material and give the BRIDGE the benefit of the discovery. Briefly, here are some of the commonplace things that can make colorful pictures. Notice the variety.

Sheep, statues, birds in flight, domestic animals, railroads, motorboats, fields of grain, live game, garages, yachts, farm scenes, store-fronts, wharves, novel inventions, factories—and fifty-six others, which the author has listed offhand. Even if you happen to live in the middle of the great desert there's plenty around for you to photograph.

And what *not* to photograph. The author warns us particularly against posed scenes. As far as possible, try to catch your subject in a natural, unstudied attitude, whether it is a Senator or a dog or a factory at noontime. Except under very unusual circumstances, there is nothing less interesting than people lined up with a "watch-the-birdie" expression.

Now let's see our BRIDGE readers get their cameras and look around their own neighborhoods for colorful pictures.



To those who are coming to Washington for the National Convention, this brief article is dedicated. If you are coming for the first time you may find a brief description of some of the things you will see here of interest.

If you come by train you will enter the city through the Union Station which was built during the Presidency of Theodore Roosevelt, and passing through the station you will face the Capitol Park, with the Senate Office Building in the foreground on the left, and the Capitol standing alone in its park. If you arrive at night you will see the dome flooded with the glow of electric lights, with the House Office Building standing on the opposite side of the Park from the Senate Office Building. In the Senate Office Building each Senator is entitled to a suite of three rooms, and Committee Chairmen have additional space either in the Senate Office Building or in the Capitol. On the House side each Representative is entitled to two rooms, with additional space for Committee Chairmen.

Points of Interest

On the West side of the Capitol you will face the Mall, with its rows of substantial government buildings on the west side of Constitution Avenue, and the Smithsonian Institution and the National Museum standing on the east side of the Avenue in the Mall.

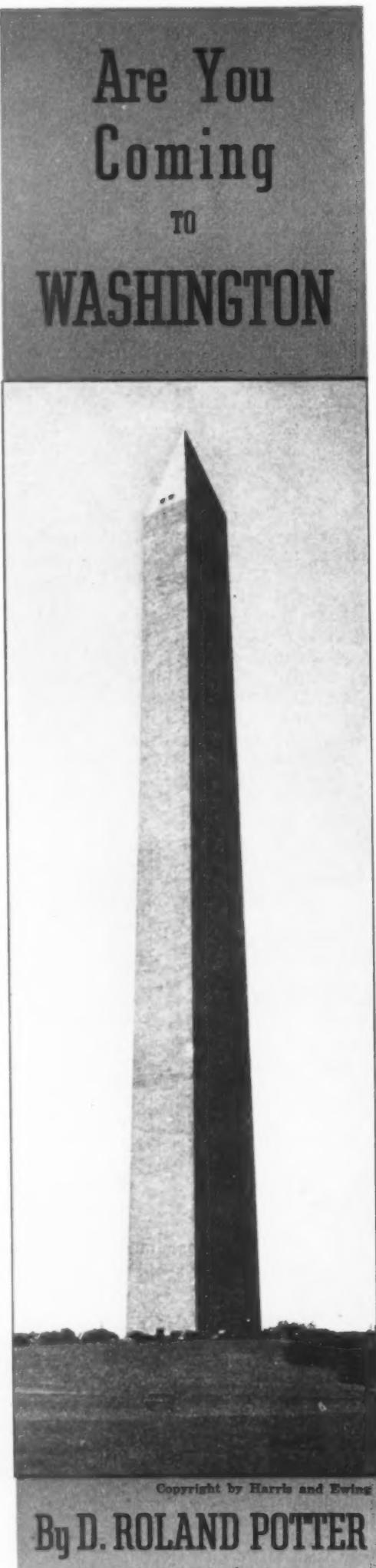
The outstanding buildings on the Mall are the Capitol, at the east end, Washington's monument, in the center, and the Lincoln Memorial at the west end.

Going west up Pennsylvania Avenue, you will pass a section of the city which has been rich in historical interest since the days when the Government was young. At the corner of Sixth Street and Pennsylvania Avenue stood the National Hotel where Henry Clay died June 29, 1852, and where Alexander H. Stephens of Georgia resided, on the next block is the site of the old Metropolitan Hotel, where many famous men resided including Speaker of the House Charles F. Crisp, at Twelfth and Pennsylvania Avenue stands the Raleigh Hotel, which is on the site occupied by the Kirkwood House at the time of the Civil War. Andrew Johnson was sworn in as President on the death of Lincoln at the Kirkwood Hotel, the convention hotel, where reservations have already been made for the National Directors and a number of friends and where a warm welcome awaits you from the National Convention Committee, and the officers of the District of Columbia Credit Union League.

The White House faces on Pennsylvania Avenue, in a large park, and across from the front entrance is another park.

There are three places which should be placed on your "must" list to be seen while you are here, in the way of public buildings.

Smithsonian Institution, which was founded by a man who had never been in the United States.



Are You Coming to Washington

Copyright by Harris and Ewing

By D. ROLAND POTTER

The Amphitheatre at Arlington where the tomb of the Unknown Soldier is located.

And the new Supreme Court Building.

If you are interested in religious buildings the new Episcopal Cathedral of Saints Peter and Paul, and the Catholic Shrine of the Immaculate Conception, as well as a number of other Churches in the city are well worth a visit. Washington is rich in historic interest and in almost any section of the city may be found tablets which mark the place where some prominent American lived, or where some event of importance in American history took place. A committee has been appointed by the District of Columbia Credit Union League to provide cars, and so far as possible drivers from your own state, to take you around the city and show you the things that you particularly desire to see. It will aid this committee materially if you will write your Senator and ask him to send you a copy of Senate Document No. 4, 75th Congress, 1st Session, and check on this document the places you desire to see. In that way the driver of the car will be able to take you to the places you desire to see without loss of time, and you will be able to get in a better sight seeing trip then would be possible if you were not sure of just the places in which you are interested. If you bring the children with you undoubtedly they will want the Zoo to be included and a visit to the Washington Zoo will be well worth the trip.

We hope to be able to take the entire delegation to Mt. Vernon, the Home of Washington, while you are here and if time can possibly be found for the trip it will be arranged.

Convention Plans

Now for the general plans for the Convention. On April 7 the Executive Committee will convene at the Willard Hotel, and this Committee will be entertained at luncheon on Wednesday, the 7th, by the District of Columbia Credit Union League, and by the Washington Central Credit Union on April 8.

On the night of April 8, it is hoped that a sufficient number of delegates and visitors will have arrived to make it possible to make some plans for a party at which those who have not met their fellow members of the Board, and the Washington committee, may have an opportunity to get acquainted. No plans can be made definitely for this until the time arrives as it is not possible to say how many will be present. See the Committee Chairman when you arrive at the Willard about the plans for the evening if you arrive on April 8.

On April 9 the National Board will convene at the Willard, and will stay in session all day. On the evening of April 9, at 7:30 P. M., Mr. Edward A. Filene is entertaining the Board and their families at dinner at the Cosmos Club. This dinner will in all probability last until about ten and after that will be an open time when the delegates and visitors may make their own plans.

On April 10, the National Board will convene at the Willard and will stay in session all day. On the evening of April 10, the National Convention Committee plans to invite the National Board to dinner at the Mayflower, which dinner will be open to the Washington Credit Union members and the visitors to the Convention. It is very important that reservations be made in advance for this dinner as there will be only five hundred tickets sold and the visitors who plan to attend are urged to communicate with the National Convention Committee promptly in order that reservation may be made for them for the dinner. The price of tickets for the dinner will be \$2.00 per person.

For entertainment the visitors will have a large number of first run moving picture houses, two legitimate theatres, and a large number of places where a person can dine and dance. If you are a golfer bring your clubs with you by all means as the Convention Chairman is making arrangements for visitors cards for the delegates to the Beaver Dam Country Club, which has a fine golf course.

Are you coming to Washington to share in the Convention with us? If so be sure to make your reservation for room well in advance; because of the cherry blossom season Washington will be crowded at that time.

Subsidiary Meetings

The Amendments Committee will meet at the Willard Hotel on April 8th (Thursday) and anyone having anything to do with that Committee should contact Judge James H. Wolfe, who will be registered at the Willard.

The Executive Committee will meet on Wednesday and Thursday, the 7th and 8th, at the Willard, President Claude E. Clarke presiding. There will be a conference between the Committee and representatives of the Twentieth Century Fund, Inc., with particular reference to group medicine on the 8th.

There will be a meeting of the Board of Directors of the CUNA Mutual Society either on the 7th or 8th.

The first session of the National Board will be held promptly at 9 A. M. on the 9th.

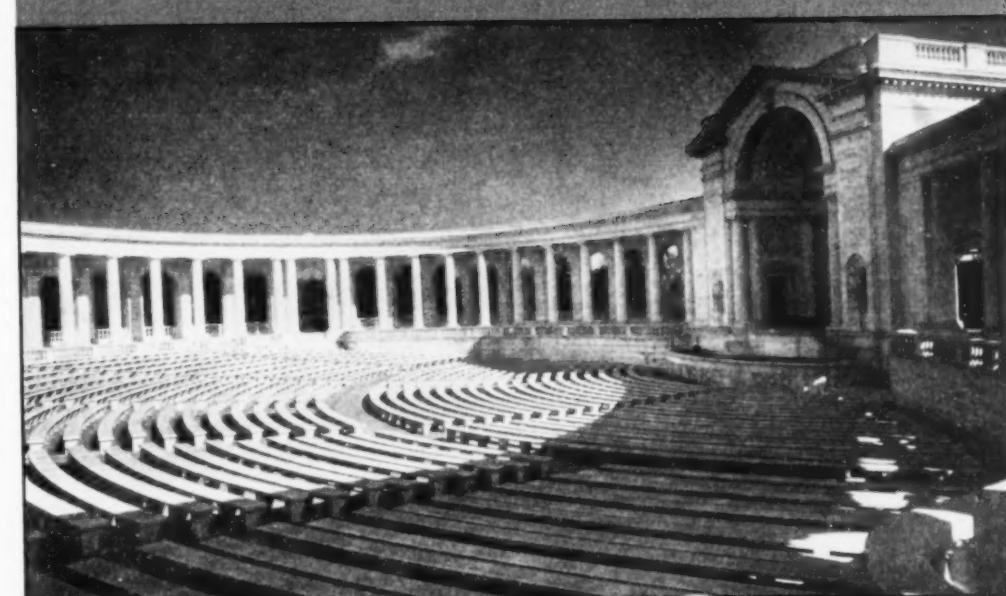
Additional copies of the tentative agenda of the meeting may be had on application to the Credit Union National Association, Raiffeisen House, Madison, Wisconsin. The Committee hopes that all business will be finished by Sunday morning and that that day may be free for enjoying the innumerable attractions of the most beautiful national capital in the world.

If we are lucky the cherry blossoms will be out and, whether they are or not, there will be other things to do and limitless things to see. We have a fine credit union development in Washington, both under the Federal and the District of Columbia law, and the Washington credit unionists are looking forward to our visit and have done much already to make the meeting a success.



Underwood & Underwood

The White House



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The Arlington Amphitheatre



Underwood & Underwood

Lincoln Memorial

Mr. Clinton's Ditch

(Continued from page 7)

all right and bad music floating out over the water, goes tearing by, and now and then you pass a tug laboriously but steadily towing a string of barges up the river, and that is about all.

Into the Canal

At Troy you enter the canal, and the novice canaller encounters his first lock. He'll see thirty odd before he reaches Oswego, so a description—from the layman's point of view—will not be out of place. You know a long while before you approach a lock; by day you can see its white walls in the distance and at night the cluster of lights shines ahead of you.

Presently, though, you glide slowly up to the lock. The ship enters, our novice canaller spits on his hands, coils a heaving line around his arm, and grasps a knotted rope, attached to a boom, by which he is swung onto the lock wall—rather like Tarzan, if Tarzan wore dungarees and generally managed to land on his nose. Then he runs up half a mile of concrete stairs, which are shown clearly in our cut, and down the wall to the other end of the lock. By this time the great gates have swung open and the ship is nosing cautiously into the lock. He peers down at the deck below him and, at the proper moment, drops his little heaving line. The man on the deck rapidly fastens it to a heavy cable in the bow, and our canaller starts to haul. He hauls and hauls, and just as he is sure that he is going down into the lock instead of the rope coming up to him, the noose of the cable appears over the edge of the wall, and with one more back-breaking heave he gets it up and drops it over a stanchion. After which he rapidly unhitches his heaving line and runs down to the stern of the ship, where he goes through the performance all over again. Speed

is essential; unless she gets her lines out fast a ship is liable to swing forward or backward into a lock gate and do three or four hundred dollars worth of damage. After that he has three or four minutes in which to seat himself on a stanchion and relax while the water rushes into the lock and the ship slowly rises. When she is up where he is, the gates at the other end of the lock slowly open, he casts off his lines and hops aboard, and is allowed to go back to his painting or chipping until the next one comes along. When three or four locks occur in a row, as they frequently do, the deckhand knows he has had a workout.

In Canada, Too

The Welland Canal, in Canada, is particularly nasty when one is descending. Here the ship enters at the level of the lock wall, throws her lines over the stanchions, and starts going down—some forty feet, for these are the largest locks in North America. So far, so good; our canaller has merely to throw a couple of figure-eight loops around a chock on the deck and pay his line out slowly, making sure that it is kept taut, so that the ship does not swing across to the other side of the lock, but not too taut, so that it snaps. The real fun comes when the boat is all the way down and the locktender slips the cable off the stanchion, knots a heaving line to the noose, and starts letting it down. Naturally, being in a hurry to get up to the other end, he lets it down fast, and our canaller is forced to bend over and make his arms fly getting that cable in before it trails in the water. If that happens it will certainly become extremely heavy, and may get fouled with the propeller, which is disastrous. He has just about time to get his cable neatly coiled on deck and the noose slipped through a hawse-hole before the next lock heaves in sight. There are eight of these backbreakers in rapid succession.

In between locks the canal is a pleasant place; it seems a sort of sightseeing de luxe to float through the middle of a busy little town, with the idle population lined up on a bridge over your head watching you go by and the girls waving at the crew. Plenty of houses in these towns are built on the edge of the canal; it's a wonder they don't fall in. The inhabitants of these do their washing and bathing in the canal, and no doubt think their back windows open on the finest view in the world; at any rate they are always there, philosophically watching the traffic go by.

One wonders what sort of life there was along the canal back in the days when life and barges were rather slower. The little locks were operated by mule-power, and two miles an hour was a good average speed. Back in those days there grew up a whole class of canallers who lived and died on the canal, spoke canal, thought canal, and wouldn't have felt happy if the canal were out of their sight. There are still a good many of these; a common sight is a string of

barges with a home, complete with flowerpots, livestock, and a growing family on the stern of every one.

The New Era

Motorship skippers hate these fellows; they amble along at their own pace, hogging the whole canal, back of a tug which is sublimely indifferent to blasts of the whistle. They tell the story of a skipper who was one night irritated beyond all endurance by a particularly slow string of these barges; he finally slipped up in back of the last one, cast a line over a stanchion on her rear deck, and rang his engines into reverse. He disorganized that string of barges and went sailing by while they were figuring out what had happened, accompanied by a barrage of coal and bad language.

I had meant to artfully work in some statistics somewhere—better than five million tons of freight were moved on the canal in 1936—but there doesn't seem to be any place for them. This article is only meant to convey some idea of the canal from a tourist's point of view, it being a thing which few tourists reach in the ordinary course of events.

Get the Most from Your Money

By Keeping a Thrift-Ease Money Record

A complete and simple loose-leaf record of your income, expenses, investments, debts, net worth and budget for one year. \$1.00 postpaid. Return if not satisfied.

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That Provide Maximum Protection to
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Filing and Carrying Envelopes

That Give Longest Service Per
Dollar of Cost

Security Envelope Company
The House of Specialties
Established 1897



Old Lady (to librarian): "I would like a nice book."

Librarian: "Here's one about a cardinal."

Old Lady: "I'm not interested in religion."

Librarian: "But this one is a bird."

Old Lady: "I'm not interested in his private life, either."

THIS is a picture of Raiffeisen House which is your house, being built exclusively by your dues. It is 100% a service house, collects no profits, serves only one master. It is your house, dedicated in its every aspect to your service.

In the attic
we keep many
things as in any attic.

We have the CUNA Master bond on which we have already bonded 352 treasurers in \$576,500. It is this bond which should lead to better bond rates. Here we keep the CUNA Burglary Insurance policy which you can join at a low rate and here we are working out other things—small change banks, credit union promotional posters, group insurance plans, budgeting. Here we handle innumerable legal problems, tax problems and the like. Here we protect your credit union and all credit unions from the innumerable difficulties which beset them. Here we answer 50,000 letters a year; from here we distribute millions of free publicity material. Our personnel in this department consists of Agnes Gartland, office manager; Mary Rosa, Ruth Ryan (bonds); Aileen Munson (statistics); and the Managing Director.

The BRIDGE

The BRIDGE is the chimney, not because only hot air goes through it but because it is necessary that the whole house may be warmed with the true spirit of the credit union. It cost \$2,500 an issue to produce and will become a financial asset as soon as a fair portion of national advertising is obtainable.

CUNA Mutual Society

The CUNA Mutual Society provides credit unions with loan protection insurance. It is an affiliate of CUNA, organized under the insurance laws of Wisconsin. We started it in August, 1935, with \$25,000 borrowed capital. It has paid back \$14,500 and has in addition to the balance owed clear capital of \$50,154. It has insured 520,000 loans, leads its field, has paid death claims of \$30,948, and is now in process of developing operating capital. Its new coverage for February was \$4,250,000. It was started by funds advanced by CUNA and passes all of its benefits on in service to its members and in needed capital accumulation, contributing nothing to the support of CUNA. It pays \$50 a month rental, occupies three rooms in Raiffeisen House, and the Wisconsin Insurance Commissioner's report notes: "The Company was found to be in a very favorable financial condition." Paid personnel: Earl Rentfro, Sec'y, Jack Fortnum, Accountant, Orville Edgerton, Ass't Accountant, Evelyn Schuetz, Ruth Mueller. Incidentally the Society elsewhere in this issue is announcing a reduction of rate. For the first seventeen days of March it wrote new coverage totalling \$4,316,670.

Financing CUNA

The Credit Union National Association is a 100% service organization. It is supported entirely by dues and not one penny directly or indirectly by profits. It receives a decreasing subsidy from the Twentieth Century Fund, Inc. Dues are paid by affiliated State Leagues and figured on the basis of ten cents per credit union member of affiliated credit unions as of the previous December 31 except that credit unions organized since December 31 pay no national dues nor do credit unions which the previous year paid a less than 3% dividend. The maximum dues paid by any State in 1936 was \$5,000. One State (Illinois) paid this maximum. The budget estimate for 1936 was \$63,700. The expenditures for 1936 were \$60,128.82. The subsidy for 1936 was \$20,000. The requested subsidy for 1937 is \$15,000. Total dues collection for 1936 was \$27,687.61. The present number of State Leagues is 41, the following State Leagues having affiliated during the year, the New York State Credit Union League, the Idaho Credit Union League, the Maine Credit Union League, the Hawaii Credit Union League, the New Hampshire Credit Union League.

CUNA Supply Cooperative

Is organized under the Wisconsin laws for cooperatives. Originally the supply department of the Credit Union National Extension Bureau. Presented as a gift to CUNA when CUNA organized at a time its net worth was \$9,000. Present net worth \$27,500. Extends long credits to new credit unions; has twice cut prices of forms, 10% and then nearly 25%. Belongs to the member Credit Union Leagues. Annual business approximately \$75,000. Personnel, Bert Beales, Mgr., Norman Haglund, foreman, Julian Grinde, machine operator, assistants in print shop, Ed Miller (part time), Rodney Schieb. Shipping room, Ralph Peterson, foreman, Richard Flynn. Now equipped also for short form jobs. Contributes nothing to support of CUNA, passing all benefits back to credit unions and State Leagues. The Cooperative has recently added to its 87 items a budget form which is becoming very popular and has promotional posters in preparation. It is also developing a central purchasing department and is in splendid financial condition. Its address—CUNA Supply Cooperative, Raiffeisen House, Madison, Wisconsin.

The FOUNDATION is the ORGANIZATION and CONTACT Department

We received the credit union as a rich gift from Edward A. Filene, our Founder. It is the first job of CUNA to give the credit union as an equally rich gift to the millions who need it. The Organization and Contact Department (a) contacts the credit union movement through field secretaries; (b) organizes credit unions and creates agencies to organize credit unions and cooperates with other agencies to organize credit unions; (c) organizes State Leagues and Chapters; (d) supervises the collection of national dues. During the past fiscal year (a) the number of State Leagues increased to 41; (b) the number of chapters increased to 250; (c) the number of credit unions in the United States increased to 5,840; (d) and this department contacted credit unions in practically every state. Its personnel: Thomas W. Doig, Director; Dora Maxwell, Hubert M. Rhodes, Ralph C. Christie, assisted part time by Clifford Skorstad and the rest of us. Its work is most important. On its successful operation all else depends.

THIS IS THE HOUSE CUNA IS BUILDING

The CUNA BUDGET is getting popular

We have distributed 9000 copies of it thus far. The importance of the family budget to an orderly understanding of one's own finances is becoming increasingly self evident. Send for a sample!

Do you use your Credit Union for systematic saving—for Christmas, for vacation, for taxes? There are forms to assist in the promotion of systematic saving.

A New Feature!

A pass book designed to facilitate credit union operations by mail, of value particularly where a credit union is spread over a large area and receives deposits and loan repayments by mail. Free sample gladly furnished.

DO YOU REALIZE that we stock nearly 100 different credit union accounting forms? Are YOU getting complete service?

CUNA SUPPLY COOPERATIVE

Raiffeisen House

Madison, Wisconsin

A Cooperative Belonging to the State Leagues Affiliated.

The WAY of permanent progress!

It may now be said that:

The CUNA Mutual Society Leads Its Field!

During February we wrote an increase in coverage totalling \$4,250,000.

Having developed the AA Policy (whereby all loans are insured and the Credit Union pays for the insurance, which is the new and better way of loan protection insurance, originated by the CUNA Mutual Society) we are now proud to make a new announcement, possible in spite of our most conservative program in the matter of capital accumulation.

HERE IT IS!!

Effective on the June Statement We Reduce the Rate
Under the AA Policy (or Budget Plan)
Approximately 12%!

Every agreement, new and old, will be included in the new rate of 75 cents per hundred per month replacing the old rate of 85 cents. And this is only the beginning: consistent with our policy of conservative capital accumulation there will be a constant effort to readjust and improve our service for the credit unions and the credit union members to whom the CUNA Mutual Society exclusively belongs. We serve only those credit unions and credit union members affiliated with credit unions which belong to State Leagues which constitute the Credit Union National Association.

Send for particulars!

Not for profit—not for charity—but for service

CUNA Mutual Society

Raiffeisen House

Madison, Wisconsin

The CONTEST

No one is very happy over the Organization Contest which we started some months ago. We started it when every man, woman and child in the United States was thinking of just one thing—the election of a President—and our Contest aroused no interest at all.

Right after the election came Thanksgiving and then all the interest and excitement which comes with Christmas month and we never got any legs under our Contest. The publicity relative to it was badly managed, the Contest coming at a time when everyone at Raiffeisen House was overworked with a multitude of other, more important things.

There was little response and we are asking all concerned to allow us to re-open the contest and to hold it open until October 1st. The prize money—\$2500—is altogether too important to award without something approximating the desired result, namely a great stimulation of organization activity.

There is need for 100,000 credit unions in the United States; we have 5800 and less than 5% of our job is done.

We started the contest to put speed under organization work. We ask all concerned (that is, all who have participated thus far in the Contest) to permit this extension until October 1 and we promise that, if this extension is permitted, we will do everything in our power to work up adequate interest so that we shall all be proud of the results.

Credit Union National Association

Raiffeisen House

Madison, Wisconsin